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May 15, 2003

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VIA FEDERAL EXPRESS

The Honorable Sara Kyle, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

Re: Docket No. 03-00072  
Electric Power Board of Chattanooga

Dear Chairman Kyle:

We are enclosing an original and thirteen copies of the information and documentation compiled by the Electric Power Board in response to Joe Werner's letter of April 10, 2003.

Please contact us if you need any additional information or documentation.

Sincerely yours,



William C. Carriger  
For the Firm

WCC:tm  
EPB/TEL - #184  
Enclosures

### Responses to TRA Letter Dated 04/10/2003

- 1) The interest rates used to calculate the interest expense for the loan from EPB Electric Division to the Telecommunications Division is the highest of the prime rate or the highest rate then earned by EPB on invested electric plant funds. Please note that this exceeds the requirement of TRA Docket No. 97-07488 to use "the highest rate then earned by the municipality on invested electric plant funds" and resulted in \$518,769 of additional interest expense being charged to the Telecommunications Division in 2000, 2001, and 2002. Schedule 1 shows the calculations of the interest expense for the three years in question. The prime rate was greater than any invested electric plant fund rate except for the period of September 2001 through January 2002.
- 2) In 2000 the EPB Telecommunications Division was allocated \$51,053.78 of PC costs, \$32,184.15 of mainframe labor costs, and \$17,342.36 of other mainframe expenses. The mainframe costs should not have been allocated to the Telecommunications Division since it was never connected to the EPB Electric Division mainframe. Instead the Telecommunications Division used an AS/400 whose entire cost was charged to the Telecommunications Division. The PC allocation of \$51,053.78 was based on the ratio of the number of Telecommunications Division PCs divided by the total number of EPB PCs times the total EPB PC Network charges. In 2001, the allocation was based on the number of budgeted Telecommunication PCs divided by the total number of budgeted EPB PCs times the projected salaries of six information technology employees that were available to provide PC network services to both the Telecommunications and Electric divisions. In 2002, in response to Telecommunication Division's contention that no services were being received from the IT Department, a budgeted amount of \$2,000.00 was used, which is very close to the 2001 allocation. The 2001 and 2002 allocations were all PC costs and did not include any mainframe costs.
- 3) Schedules 3A, 3B, and 3C summarize the pole attachment agreements for 2000, 2001, and 2002 respectively. The "current rate" shown on the schedules is determined at the end of each year and retroactively adjusted for that year. Schedule 3D shows the rates billed to the Telecommunications Division and the actual rates used for the adjustment made in 2003 of \$3,785.26. At this time we have no conduit rental agreements with anyone except the Telecommunications Division.
- 4) Schedule 4 shows what we believe our audit and annual report allocations should have been for 2000, 2001, and 2002. These allocations are based on actual costs that are only known after the year end close. The audit allocation to Telecommunications is 5% for 2000, 10% for 2001, and 15% for 2002. These percentages are based on the approximate amount of time our auditors spent auditing the Telecommunications Division each year. The annual report allocation is 20% each year and is based on the approximately 20% of the annual report devoted to the Telecommunications Division. We should have allocated a total of \$58,412.39 (\$15,846.80-2000, \$22,212.12-2001, and

\$20,353.47-2002) but instead allocated a total of \$47,825.00. The difference of \$10,587.39 will be allocated to Telecom in 2003.

- 5) EPB conducted a review of the life insurance benefit allocation during January 2003. Schedule 5 shows the results of that review. Except for July and August 1999, rates were either calculated incorrectly (by a factor of 12) or were omitted. The Telecommunications Division was charged \$3,617.04, \$1,262.07, and \$1,269.01 in years 2000, 2001, and 2002, respectively. The Telecommunications Division should have been charged \$12,607.69, \$15,144.84, and \$15,151.75 in years 2000, 2001, and 2002, respectively. The difference between what we should have charged and what was charged ( $\$42,904.28 - \$6,148.12 = \$36,756.16$ ) is being charged to the Telecommunications Division in 2003.
- 6) Schedule 6 shows the supporting calculations used to determine Worker's Compensation amounts for 2000, 2001, and 2002. Please note that Worker's Compensation was not allocated to the Telecommunications Division in 2000. Therefore, the Worker's Compensation total of \$3,502.13 for 2000 is being charged to the Telecommunications Division in 2003. The large increase in Worker's Compensation from 2001 to 2002 was the result of our carrier reclassifying a substantial number of the Telecommunications employees as "outside employees." This occurred during our annual renewal on February 1, 2002.
- 7) Schedule 7 shows the supporting calculations for dental insurance for 2001 and 2002. EPB is self-insured, we pay Delta Dental for administrative costs plus claims paid. Please note that the large percentage increase in dental insurance allocations from 2001 to 2002 was due to two factors. First, in 2001, of the total dental costs of \$10,401.97, \$1,895.65 was capitalized. The \$8,506.32 in dental benefits reported was the expense portion only. Second, the Telecommunications Division averaged nine more employees with dental coverage in 2002 versus 2001.
- 8) The pension charges for 2001 and 2002 were based on actuarial costs provided to EPB by McDaniel & Associates, Inc. Schedules 8A, 8B, and 8C are relevant pages from their reports for the actuary periods of August 1, 1999 through July 1, 2000; August 1, 2000 through July 1, 2001; and August 1, 2001 through July 31, 2002; respectively. Please note that on Page 2 of Schedule 8A that the maximum plan contribution of \$788,091, which EPB funded, was for EPB in total. For the period covered by Schedule 8A we were charging a monthly portion of this cost to the Telecommunications Division based on the ratio of Telecommunications labor to total EPB labor. For July 2000, \$4,563 was charged to the Telecommunications Division using this allocation method. In the next actuarial period, Schedule 8B, we requested that the actuary separate the pension costs for the Electric and Telecommunications Divisions. Page 11 of Schedule 8B shows the maximum plan contribution for the Telecommunications Division to be \$37,716, or \$3,143/month. Based on this result it appears that we were charging too much to the Telecommunications Division before August 2000. However, in 2001 we did charge a total of \$39,136 ( $\$4,563 + 11 \text{ times } \$3,143$ ) to the Telecommunications Division. We reported the expense portion of this amount, \$28,691.97, to you. An additional amount, \$10,443.66, was

capitalized in 2001 for the Telecommunications Division. For 2002, we charged \$3,143 in July per Schedule 8B. Page 12 of Schedule 8C shows the maximum plan contribution for the rest of actuary year 2002 to be \$83,032, or \$6,919/month. Therefore, we should have charged a total of \$79,252 ( $\$3,143 + 11 \text{ times } \$6,919$ ) to the Telecommunications Division for 2002. However, we only charged \$73,290.01 as reported to you. The difference of \$5,962 was caused when we erroneously used the minimum plan contribution of \$76,526 instead of the maximum plan contribution of \$83,032 on Page 12 of Schedule 8C [ $11/12 \text{ of } (\$83,032 - \$76,526) = \$5,962$ ]. The additional charge for pension benefits of \$5,962 will be charged to the Telecommunications Division in 2003. See summary on Schedule 8D.

- 9) The post-retirement expenses for 2000, 2001, and 2002 were based on actuarial costs provided to EPB by McDaniel and Associates, Inc. Schedules 9A, 9B, and 9C are relevant pages from their reports for 2000, 2001, and 2002, respectively. Please note that on Page 7 of Schedule 9A that the plan contribution for EPB in total was \$770,808 for 2000. For the period covered by Attachment 9 we were expensing a monthly portion of this expense to the Telecommunications Division based on the ratio of Telecommunication's labor to total EPB labor. This resulted in \$36,057.88 of post-retirement expenses to the Telecommunications Division, which is 4.68% of the EPB total ( $\$36,057.88 / \$770,808.00 = 4.68\%$ ). In the next actuarial period of 2001, Schedule 9B, we requested that the actuary separate the post-retirement costs for the Electric and Telecommunications Divisions. Page 8 of Schedule 9B shows the post-retirement contribution for EPB in total as \$780,858, with Page 9 showing the Telecommunications Division portion being \$36,859. The \$36,859 is 4.72% of the total ( $\$36,859 / \$780,858$ ) which is almost exactly the same percentage we allocated in 2000 and gave us some assurance that our allocation method for 2000 was reasonable. In 2001 we did charge \$36,864.41 in post-retirement benefits to the Telecommunications Division versus the \$36,859 required (slight difference of \$5.41 due to monthly rounding). This total is different than the \$27,026.84 we reported to you because we did not include \$9,837.57 of post-retirement benefits that were capitalized in 2001 for the Telecommunications Division. For 2002, we charged \$43,284.00 in post-retirement benefits to the Telecommunications Division, as reported to you. This is the amount determined by the actuary on Page 9 of Schedule 9C.
- 10) The sick leave benefit was terminated in 2001 for all EPB employees. Therefore, there is no sick leave benefit for 2002.
- 11) Rent is based on the number of square feet occupied by EPB Telecom times a rate determined by including the cost to operate and maintain the EPB downtown office building (Direct costs-employee salaries, materials, power, cleaning & janitorial, security, transportation, maintenance of elevators, heating & air conditioning; Indirect costs-payroll insurance, property insurance, property tax equivalents, depreciation). Schedule 11 shows that the rate started at \$1.09 per square foot per month and was adjusted in February 2000 for a tax increase. EPB continues to maintain the \$1.15 rate even though costs have gone down. Rental reported in 2002, \$129,481.65, should have been \$101,974.82. In

2002, we inadvertently charged some Bellsouth co-location rentals to the Building Rental account.

- 12) In 2001, the Telecom Division was charged directly with \$2,036,915.27 of labor expenses. Of this amount, \$416,887.03 was capitalized into the Telecom plant accounts. The remaining \$1,620,028.24, reported for salaries, is the operational portion of the Telecom employee's labor costs. Column 1 of Schedule 12A lists the specific labor accounts in the previously provided "Operating Expenses & Other Deductions" that contain these operational labor expenses. Please note that the first two digits of the account number are the department and that the last two digits identify the type of expense (020 – regular labor, 021 – overtime labor, and 023 – commissions). Column 2 is the operational labor expense amount in each of these accounts, column 3 is the capitalized labor that was transferred to plant, column 4 is the total of operational and capitalized labor, column 5 is the total of operational and capitalized labor by department, and column 6 is the total wage cost from payroll. Note that timing differences cause some variation between columns 5 and 6. Schedule 12B provides a list of each Telecom employee by department who received wages in 2001, along with their hire date and termination date. Note that some employees worked in more than one department and are labeled as "Moved." Also, please note that the list of employees we provided to you previously only included employees working as of June 30 and did not include any "Student" hires. Schedules 12C and 12D provide the same information for 2002 as Schedules 12A and 12B do for 2001.
- 13) If you include capitalized labor for 2001, the total labor cost for 2001 is \$2,036,915.27. If you subtract that from the \$2,557,995.92 total labor cost for 2002, you get an increase in total labor costs of \$521,080.65 from 2001 to 2002. Most of this increase was due to the number of new hires late in 2001 that had partial-year salaries in 2001 versus full-year salaries in 2002. Commissions also increased by \$93,408.70 as sales and revenue increased.
- 14)
  - a) The cost of publishing the annual report in 2000, 2001, and 2002 was previously covered in Item 4. The expenses for the annual report and annual audit are included together under the category "Annual Audit & Report" under Reporting Requirements (e).
  - b) Schedule 14A is a worksheet for allocating internal newsletters and other internal information. These items are distributed to both active employees and retirees. Therefore, in counting the average number of employees for Electric and Telecom, we included the number of retirees for each division. As shown, in 2000, 2001, and 2002, the allocations should have been \$2,599.94, \$3,021.78, and \$5,194.54, respectively. Therefore, we are allocating \$10,816.26 to Telecom in 2003 to cover these expenses which were not previously expensed to Telecom.
  - c) The Telecom Division was charged for all postage in 2002. The total for 2002 was \$9,828.08 and does not show up under Reporting Requirements (e) since it was a direct charge and not an allocation. Instead, the \$9,828.08 is in account number 306620.182 on Page 2 of the operating expenses previously provided to you. Schedule 14B is a worksheet for allocating the Telecom

postage for 2000 and 2001. The allocations for both years are based on the actual number of customers billed and the actual postage charges for 2002. By dividing the total postage charges for 2002 by the total customers billed for 2002, we determined an average postage charge per customer of 60.6 cents. We then multiplied this average charge per customer by the total number of customers billed for 2000 and 2001 to get the postage charges of \$69.69 and \$3,676.00 that should have been allocated for those years, respectively. Therefore, a postage allocation of \$3,745.69 will be charged to the Telecom Division in 2003.

- d) The Telecom division was allocated \$180.00 per month (\$2,160 for the year) in 2002 for the use of Remittance Processing. This allocation is included in the total for "EPB Overhead" under Reporting Requirements (e). There were no allocations made to Telecom for the use of Remittance Processing in either 2000 or 2001. Schedule 14C is a worksheet for allocating the Telecom use of Remittance Processing. The total allocation for 2000-2002 is \$4,005.68. Therefore, the Telecom Division will receive an additional allocation in 2003 of \$1,845.68 (\$4,005.68 minus \$2,160.00) for Remittance Processing.
- 15) Schedules 15A, 15B, and 15C list the Telecommunications Division plant by account for the years 2000, 2001, and 2002, respectively. All plant listed on the attachments is for the sole use of Telecom. The only plant allocated between electric and telecom is the fiber network. On most fiber runs, the Electric Division retains exclusive use of 12 fibers. Therefore, on 96 fibers, the Electric Division would pay for 12.5% of the cost of the fiber and its installation and the Telecom Division would pay the remaining 87.5%.
- 16) Each month our financial accounting software calculates and applies the depreciation expense for both telecom and electric. All depreciation is straight line with the depreciation rate for each category being applied to the total telecom plant balance, except for vehicles which are straight line based on a per unit basis. (Note: The depreciation rates for each category are provided on Schedules 15A, 15B, and 15C.).
- 17) Schedules 17A, 17B, and 17C provide the Telecom Division revenues by account for 2000, 2001, and 2002, respectively. There are no joint revenues between the Electric and Telecom Divisions.

EBF TELECOMMUNICATIONS  
INTEREST EXPENSE CALCULATION  
JULY 1999 - JUNE 2002

|   | JULY       | AUGUST     | SEPTEMBER  | OCTOBER    | NOVEMBER   | DECEMBER   | JANUARY    | FEBRUARY   | MARCH      | APRIL      | MAY        | JUNE       | TOTAL     | DIFFERENCE |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|------------|
| 1999-2000   |            |            |            |            |            |            |            |            |            |            |            |            |           |            |
| EBF HIGHEST RATE EARNED                           | 0.0506     | 0.0525     | 0.0552     | 0.0610     | 0.0610     | 0.0625     | 0.0625     | 0.0603     | 0.0603     | 0.0607     | 0.0645     | 0.0656     |           |            |
| ON INVESTMENTS                                    | 1,376,102  | 1,549,844  | 2,027,346  | 4,404,851  | 5,033,239  | 6,473,268  | 6,060,847  | 7,252,299  | 8,152,032  | 8,765,938  | 9,311,172  | 9,827,410  |           |            |
| Beginning Note Balance                            | 23,102     | 0          | 0          | 0          | 0          | 0          | 130,724    | 0          | 0          | 0          | 0          | 0          |           |            |
| Transfer Interest Balance                         | 150,440    | 479,204    | 2,377,083  | 623,206    | 1,442,120  | 331,479    | 594,729    | 610,703    | 610,886    | 545,234    | 516,238    | 568,119    |           |            |
| Addition to Note Balance                          | 15,616,844 | 2,827,746  | 4,404,851  | 5,033,239  | 6,473,268  | 6,060,847  | 7,252,299  | 8,152,032  | 8,765,938  | 9,311,172  | 9,827,410  | 10,295,529 |           |            |
| Note Balance, END OF MONTH                        | 0.0000     | 0.0025     | 0.0025     | 0.0025     | 0.0050     | 0.0050     | 0.0050     | 0.0075     | 0.0080     | 0.0080     | 0.0050     | 0.0050     |           |            |
| PRIME INT. RATE                                   | 10.331     | 13.941     | 30.284     | 34.604     | 45.887     | 48.215     | 63.354     | 59.442     | 62.745     | 69.134     | 77.000     | 82.288     |           |            |
| NOTE BAL. TIMES PRIME, DIV BY 12                  | 6.534      | 8.372      | 21.584     | 25.586     | 32.916     | 35.452     | 39.231     | 49.844     | 44.449     | 47.299     | 62.822     | 64.829     |           |            |
| NOTE BAL. TIMES HIGHEST RATE EARNED               | 0.0506     | 0.0525     | 0.0552     | 0.0610     | 0.0610     | 0.0625     | 0.0625     | 0.0603     | 0.0603     | 0.0607     | 0.0645     | 0.0656     |           |            |
| 2000-2001   |            |            |            |            |            |            |            |            |            |            |            |            |           |            |
| EBF HIGHEST RATE EARNED                           | 0.0555     | 0.0554     | 0.0555     | 0.0554     | 0.0557     | 0.0557     | 0.0555     | 0.0553     | 0.0553     | 0.0555     | 0.0555     | 0.0555     |           |            |
| ON INVESTMENTS                                    | 10,448,047 | 10,872,288 | 11,494,851 | 11,920,874 | 12,320,281 | 12,807,510 | 13,297,062 | 13,797,062 | 14,294,350 | 14,794,187 | 15,294,863 | 15,795,821 |           |            |
| Beginning Note Balance (NOTE A)                   | 230,394    | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |           |            |
| Transfer Interest Balance                         | 243,647    | 522,193    | 426,083    | 396,607    | 487,230    | 1,171,182  | 1,571,098  | 1,022,546  | 773,117    | 548,505    | 500,090    | 512,822    |           |            |
| Addition to Note Balance for Interest Calculation | 10,872,088 | 11,484,851 | 11,820,974 | 12,320,281 | 12,807,510 | 13,297,062 | 13,797,062 | 14,294,350 | 14,794,187 | 15,294,863 | 15,795,821 | 16,296,879 |           |            |
| PRIME INT. RATE                                   | 0.0550     | 0.0550     | 0.0550     | 0.0550     | 0.0550     | 0.0550     | 0.0550     | 0.0550     | 0.0550     | 0.0550     | 0.0550     | 0.0550     |           |            |
| NOTE BAL. TIMES PRIME, DIV BY 12                  | 86.887     | 91.001     | 94.374     | 97.230     | 101.668    | 110.688    | 116.626    | 117.234    | 114.843    | 118.379    | 122.627    | 126.866    |           |            |
| NOTE BAL. TIMES HIGHEST RATE EARNED               | 0.0555     | 0.0554     | 0.0555     | 0.0554     | 0.0557     | 0.0557     | 0.0555     | 0.0553     | 0.0553     | 0.0555     | 0.0555     | 0.0555     |           |            |
| 2001-2002   |            |            |            |            |            |            |            |            |            |            |            |            |           |            |
| EBF HIGHEST RATE EARNED                           | 0.0655     | 0.0655     | 0.0655     | 0.0653     | 0.0653     | 0.0653     | 0.0653     | 0.0613     | 0.0613     | 0.0613     | 0.0613     | 0.0613     |           |            |
| ON INVESTMENTS                                    | 0.0675     | 0.0650     | 0.0650     | 0.0650     | 0.0650     | 0.0675     | 0.0675     | 0.0675     | 0.0675     | 0.0675     | 0.0675     | 0.0675     |           |            |
| EBF INTEREST RATE                                 | 17.801,898 | 18,313,851 | 18,482,888 | 18,383,347 | 20,007,345 | 20,252,520 | 20,381,706 | 21,272,744 | 21,383,381 | 21,434,275 | 21,433,843 | 21,507,278 |           |            |
| Beginning Note Balance                            | 558,113    | 0          | 0          | 0          | 0          | 0          | 653,387    | 0          | 0          | 0          | 0          | 0          |           |            |
| Add to Note Balance for Interest Calculation      | 554,132    | 1,224,037  | 545,439    | 1,108,896  | 654,675    | 603,786    | 787,451    | 990,837    | 840,884    | 574,668    | 646,435    | 1,017,158  |           |            |
| Note Balance for Interest Calc.                   | 16,713,851 | 19,537,888 | 19,208,347 | 20,472,045 | 20,701,920 | 20,985,706 | 21,802,744 | 21,863,381 | 22,004,275 | 22,008,843 | 22,080,278 | 22,524,436 |           |            |
| RATE USED FOR INTEREST CALC (B)                   | 0.0075     | 0.0650     | 0.0653     | 0.0653     | 0.0653     | 0.0653     | 0.0653     | 0.0675     | 0.0675     | 0.0675     | 0.0675     | 0.0675     |           |            |
| Adjust Interest                                   | 105,236    | 103,830    | 107,246    | 114,402    | 112,853    | 119,495    | 116,843    | 86,243     | 87,100     | 87,110     | 87,408     | 89,160     |           |            |
| NOTE BAL. TIMES PRIME, DIV BY 12                  | (400,000)  | (375,000)  | (345,000)  | (468,000)  | (448,000)  | (495,000)  | (630,000)  | (500,000)  | (570,000)  | (575,000)  | (575,000)  | (585,000)  |           |            |
| CASH TRANSFER APPLIED TO NOTE                     | 18,313,851 | 18,162,088 | 18,263,347 | 20,007,345 | 20,252,520 | 20,381,706 | 21,272,744 | 21,383,381 | 21,434,275 | 21,433,843 | 21,507,278 | 21,799,536 |           |            |
| NOTE BAL. AFTER CASH TRANSFER                     | 102,446    | 148,844    | 167,246    | 111,402    | 112,853    | 113,495    | 116,843    | 86,243     | 87,100     | 87,110     | 87,408     | 89,160     |           |            |
| NOTE BAL. TIMES HIGHEST RATE EARNED               | 0.0555     | 0.0554     | 0.0555     | 0.0554     | 0.0557     | 0.0557     | 0.0555     | 0.0553     | 0.0553     | 0.0555     | 0.0555     | 0.0555     |           |            |
| TOTAL DIFFERENCE                                  |            |            |            |            |            |            |            |            |            |            |            |            | 1,152,278 | 93,288     |
|   |            |            |            |            |            |            |            |            |            |            |            |            | 518,785   |            |

NOTE (A) - May 2001 adjustment \$43,632 was made to move the Telecom cash received from customers which had been applied to interest owed to EBF for the period Jan 2001 - April 2001, to apply to the Note Balance owed to EBF.

NOTE (B) - Sign 01 - Jan 02 Investment Rate 6.5% was used because Prime was less than 6.5%; TRM Document states "current market rate of interest will be applicable to loans made by one division to the other division which rate of interest will not be less than the highest rate earned by the Electric Power Board of Chattanooga on its invested funds."

POLE ATTACHMENT CONTRACTS

| Company  | Agreement Executed                                 | Current Rate per Pole (2000)               | Type of Payment | Rate Terms  | Term of Agreement  |
|--|--|--|-----------------|---|--|
| Adelphi Business Solutions   | July 7, 2000                                       | \$22.03 (inside)<br>\$24.15 (outside) city | Semi-annual     | Adjustments will be annually after 1/1/01 according to Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term. (12/31/2005)     |
| BellSouth (formerly South Central Bell)  | January 1, 1991                                    | \$17.35                                    | Annual          | Payment based on a 5-year "Inventory of Attachments & provision of new attachments.   | December 1999  |
| Blackshe Telephone Company   | April 28, 1992                                     | \$17.35                                    | Annual          | Base rate escalated annually based on previous annual Telephone Plant Index   | December 31, 1999  |
| Century Telephone Company  | February 18, 1991                                  | \$11.65                                    | Annual          | In negotiations   |  |
| COMCAST (formerly Chattanooga CATV Co.)  | February 26, 1979<br>Amended:<br>January 4, 1997   | \$9.23                                     | Semi-annual     | (Cable) Adjusted annually on January 1 based on 1/1/87 Handy Whitman Index. (Telecom) adjusted annually on Jan 1 based on # on pole (see Article III) | January 1, 2002  |
| Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (GA))                         | May 7, 1984<br>Amended:<br>February-95             | \$9.23                                     | Semi-annual     | Adjustments negotiated after written notice. Adjustments not less than 3 years.   | Written notice of termination 6 months prior to end of said term.                  |
| Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (TN))                         | May 18, 1981<br>Amended:<br>February-95            | \$9.23                                     | Semi-annual     | Adjustments negotiated after written notice. Adjustments not less than 3 years.   | Written notice of termination 6 months prior to end of said term.                  |
| Charter Communications (formerly Helicon) (formerly Sequatchie Valley Cablevision)                       | February-96<br>Amended:                            | \$9.23                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term.                  |
| Charter Communications (7/31/89) dba Robin Media (formerly Intermedia) (formerly Telecable of Cleveland) | June 13, 1991<br>Amended:<br>September 5, 1996     | \$9.23                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term. (yr by yr (6/13) |
| Chickamauga Telephone Co.  | July 24, 1992                                      | \$17.35                                    | Annual          | Base rate escalated annually based on previous annual Telephone Plant Index   | December 31, 1999  |
| Highland Park Baptist (Camp Joy)   | June 10, 1988<br>Amended:<br>December 17, 1990     | \$9.23                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term.                  |
| KMG Telecom Ill, Inc.  | November 12, 1989                                  | \$22.03 (inside)<br>\$24.15 (outside) city | Semi-annual     | Adjustments will be annually after 12/31/00 according to Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term. (12/31/2005)     |
| North Georgia Electric Membership Co.  | June 28, 1981<br>Amended:<br>January 1, 1990       | \$17.35                                    | Annual          |   | No Contract  |
| Ringold Telephone Company  | May 31, 2000                                       | \$22.03 (inside)<br>\$24.15 (outside) city | Semi-annual     | Adjustments will be annually after 1/1/01 according to Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term. (12/31/2005)     |
| Tennessee Temple University  | July 8, 1988<br>Amended:<br>December 17, 1990      | \$9.23                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term.                  |
| Tennessee Valley Authority (EPB on TVA)  | April 1947<br>TV-97310 Supp. No. 8<br>June 1, 1993 | \$1.00                                     | Annual          |   |  |
| Tennessee Valley Authority (TVA on EPB)  | April 1947<br>TV-97310 Supp. No. 8<br>June 1, 1993 | \$30.00 **                                 | Annual          | **Payment for Mood-COC Spur per year  |  |
| Trenton Telephone Company (Trenton on EPB)   | July 16, 1981                                      | \$13.46                                    | Annual          | Rental rate same as the current GST rural joint-use agreement   | Written notice of termination 30 days prior to end of said term.                   |

POLE ATTACHMENT CONTRACTS

PCM Smithy  
1230

| Company   | Agreement Executed            | Current Rate per Pole (2001)               | Type of Payment | Rate Terms   | Term of Agreement  |
|---|-------------------------------|--|-----------------|--|--|
| Adaptalia Business Solutions  | July 7, 2000                  | \$22.88 (inside)<br>\$25.08 (outside) city | Semi-annual     | Adjustments will be annually after 1/1/01 according to Handy Whitman Index.  | Written notice of termination 6 months prior to end of said term. (12/31/2005)     |
| BellSouth (formerly South Central Bell)   | January 1, 1991               | \$17.61                                    | Annual          | Payment based on a 5-year inventory of Attachments & portion of new attachments.   | December 1999  |
| Blessco Telephone Company   | April 28, 1992                | \$17.61                                    | Annual          | Base rate escalated annually based on previous annual Telephone Plant Index  | December 31, 1999  |
| Century Telephone Company   | February 18, 1991             | \$11.85                                    | Annual          | In negotiations  |  |
| COMCAST (formerly Chattanooga CATV Co.)   | February 29, 1973             | \$9.47                                     | Semi-annual     | (Cable) Adjusted annually on January 1 based on 1/187 Handy Whitman Index. (Telecom) adjusted annually on Jan 1 based on # on pole (see Article III) | January 1, 2002  |
| Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (GA))                        | Amended:<br>May 7, 1984       | \$9.47                                     | Semi-annual     | Adjustments negotiated after written notice. Adjustments not less than 3 years.  | Written notice of termination 6 months prior to end of said term.                  |
| Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (TN))                        | Amended:<br>February-96       | \$9.47                                     | Semi-annual     | Adjustments negotiated after written notice. Adjustments not less than 3 years.  | Written notice of termination 6 months prior to end of said term.                  |
| Charter Communications (formerly Helicon) (formerly Sequatchie Valley Cablevision)                      | Amended:<br>February-96       | \$9.47                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % increase reported by Handy Whitman Index.  | Written notice of termination 6 months prior to end of said term. (yr by yr (8/13) |
| Charter Communications (7/3/199) dba Robin Media (formerly Intermedia), formerly Telescale of Cleveland | Amended:<br>June 13, 1991     | \$9.47                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % increase reported by Handy Whitman Index.  | Written notice of termination 6 months prior to end of said term. (12/31/2005)     |
| Chickamauga Telephone Co.   | Amended:<br>September 5, 1996 | \$17.61                                    | Annual          | Base rate escalated annually based on previous annual Telephone Plant Index  | December 31, 1999  |
| Highland Park Baptist (Camp Joy)  | Amended:<br>June 10, 1986     | \$9.47                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % increase reported by Handy Whitman Index.  | Written notice of termination 6 months prior to end of said term.                  |
| KMJC Telecom Ill, Inc.  | Amended:<br>November 12, 1999 | \$22.88 (inside)<br>\$25.08 (outside) city | Semi-annual     | Adjustments will be annually after 12/31/00 according to Handy Whitman Index.  | Written notice of termination 6 months prior to end of said term. (12/31/2005)     |
| North Georgia Electric Membership Co.   | Amended:<br>June 29, 1981     | \$17.61                                    | Annual          |  | No Contract  |
| Ringgold Telephone Company  | Amended:<br>January 1, 1990   | \$22.88 (inside)<br>\$25.08 (outside) city | Semi-annual     | Adjustments will be annually after 1/1/01 according to Handy Whitman Index.  | Written notice of termination 6 months prior to end of said term. (12/31/2005)     |
| Tennessee Temple University   | Amended:<br>July 8, 1986      | \$9.47                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % increase reported by Handy Whitman Index.  | Written notice of termination 6 months prior to end of said term.                  |
| Tennessee Valley Authority (EPB on TVA)   | Amended:<br>December 17, 1990 | \$1.00                                     | Annual          |  |  |
| Tennessee Valley Authority (EPB on TVA)   | Amended:<br>April 1947        | \$1.00                                     | Annual          |  |  |
| Tennessee Valley Authority (TVA on EPB)   | Amended:<br>June 1, 1993      | \$350.00 **                                | Annual          | **Payment for Mocc-COC Spur per Year   |  |
| Trenton Telephone Company (Trenton on EPB)  | Amended:<br>April 1947        | \$13.88                                    | Annual          | Rental rate same as the current BST rural joint-use agreement  | Written notice of termination 30 days prior to end of said term.                   |

POLE ATTACHMENT CONTRACTS

| Company  | Agreement Executed                               | Current Rate Per Pole (2002)               | Type of Payment | Rate Terms  | Term of Agreement   |
|--|--|--|-----------------|---|---|
| Adelphia Business Solutions  | July 7, 2000                                     | \$22.88 (inside)<br>\$25.08 (outside) city | Semi-annual     | Adjustments will be annually after 1/1/01 according to Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term. (12/31/2005)    |
| Bellsouth (formerly South Central Bell)  | January 1, 1991                                  | \$18.14                                    | Annual          | Payment based on a 5-year "Inventory of Attachments & Provision of new attachments."  | December 1999   |
| Bledsoe Telephone Company  | April 28, 1992                                   | \$18.14                                    | Annual          | Base rate escalated annually based on previous annual Telephone Plant Index   | December 31, 1999   |
| Century Telephone Company  | February 18, 1991                                | \$11.65                                    | Annual          | In negotiations   |   |
| COMCAST (formerly Chattanooga CATV Co.)  | February 26, 1973<br>Amended:<br>January 1, 1997 | \$9.71                                     | Semi-annual     | (Cable) Adjusted annually on January 1 based on 1/1/97 Handy Whitman Index. (Telecom) adjusted annually on Jan 1 based on # on pole (see Article III) | January 1, 2002   |
| Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (GA))                         | May 7, 1984<br>Amended:<br>February-96           | \$9.71                                     | Semi-annual     | Adjustments negotiated after written notice. Adjustments not less than 3 years.   | Written notice of termination 6 months prior to end of said term.                 |
| Charter Communications (formerly Helicon) (formerly Clear-Vu Cable Company (TN))                         | May 18, 1981<br>Amended:<br>February-96          | \$9.71                                     | Semi-annual     | Adjustments negotiated after written notice. Adjustments not less than 3 years.   | Written notice of termination 6 months prior to end of said term.                 |
| Charter Communications (formerly Helicon) (formerly Sequatchie Valley Cablevision)                       | February 24, 1984<br>Amended:<br>February-96     | \$9.71                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term.                 |
| Charter Communications (7/31/99) dba Robin Media (formerly Intermedia) (formerly Telecable of Cleveland) | June 13, 1991<br>Amended:<br>September 5, 1996   | \$9.71                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term. (yr by yr (6/3) |
| Chickamauga Telephone Co.  | July 24, 1992                                    | \$18.14                                    | Annual          | Base rate escalated annually based on previous annual Telephone Plant Index   | December 31, 1999   |
| EPB Telecom  | March 1999                                       | \$23.47 (inside)<br>\$25.73 (outside) city | Monthly         | Rate based on highest rate of other Telecom attachers.  |   |
| EPB Telecom  | March 1999                                       | Conduit \$2.77 per foot per year           | Monthly         | Rate based on highest rate of other Telecom attachers.  |   |
| Highland Park Baptist (Camp Joy)   | June 10, 1986<br>Amended:<br>December 17, 1990   | \$9.71                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term.                 |
| KMC Telecom Ill, Inc.  | November 12, 1999                                | \$23.47 (inside)<br>\$25.73 (outside) city | Semi-annual     | Adjustments will be annually after 12/31/00 according to Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term. (12/31/2005)    |
| North Georgia Electric Membership Co.  | June 29, 1981<br>Amended:<br>January 1, 1990     | \$18.14                                    | Annual          | Rental Rate same as current BST Urban Joint Use Rate  | No Contract   |
| Ringgold Telephone Company   | May 31, 2000                                     | \$23.47 (inside)<br>\$25.73 (outside) city | Semi-annual     | Adjustments will be annually after 1/1/01 according to Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term. (12/31/2005)    |
| Tennessee Temple University  | July 8, 1986<br>Amended:<br>December 17, 1990    | \$9.71                                     | Semi-annual     | Adjustments not less than 3 years not to exceed the % Increase reported by Handy Whitman Index.   | Written notice of termination 6 months prior to end of said term.                 |
| Trenton Telephone Company (Trenton on EPB)   | July 16, 1981                                    | \$14.09                                    | Annual          | Rental rate same as the current BST rural joint-use agreement   | Written notice of termination 30 days prior to end of said term.                  |
| Volunteer Electric Cooperative   | January 18, 2002                                 | \$18.14                                    | Annual          | Adjustments negotiated after written notice.  | Written notice of termination 6 months prior to end of said term.                 |

cc: Bill Chapman, Ron Fugatt, Gary Hursl, Preston Stiggs

Schedule 3C

| Telecom Pole Attachments |             |              |         |             |              |             |              |             |              |             |              |      |          |             |              |              |                   |
|--------------------------|-------------|--------------|---------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|------|----------|-------------|--------------|--------------|-------------------|
| Date                     | # of Poles  |              | Conduit | Actual Rate |              | Billed Rate |              | Actual Rate |              | Billed Rate |              | Rate | Amount   |             | Total Amount | Total Billed | Diff to be Billed |
|                          | Inside City | Outside City |         | Inside City | Outside City |      | Conduit  | Inside City |              |              |                   |
| Jul 1999                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Aug 1999                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Sep 1999                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Oct 1999                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Nov 1999                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Dec 1999                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Jan 2000                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Feb 2000                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Mar 2000                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Apr 2000                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| May 2000                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Jun 2000                 | 447         |              | 9900    | 22.03       | 16.93        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 820.62   | -           | 3,105.87     | 2,915.89     | 189.98            |
| Jul 2000                 | 4351        | 63           | 9900    | 22.03       | 22.03        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 7,987.71 | 126.79      | 10,399.75    | 10,399.75    | -                 |
| Aug 2000                 | 916         | 9            | 9900    | 22.03       | 22.03        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,681.62 | 18.11       | 3,984.99     | 3,984.99     | -                 |
| Sep 2000                 | 932         | 9            | 9900    | 22.03       | 22.03        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,711.00 | 18.11       | 4,014.36     | 4,014.36     | -                 |
| Oct 2000                 | 932         | 9            | 9900    | 22.03       | 22.03        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,711.00 | 18.11       | 4,014.36     | 4,014.36     | -                 |
| Nov 2000                 | 932         | 9            | 9900    | 22.03       | 22.03        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,699.98 | 18.11       | 4,003.34     | 4,003.34     | -                 |
| Dec 2000                 | 926         |              | 9900    | 22.03       | 22.03        | 24.15       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,784.64 | -           | 4,069.89     | 4,003.34     | 66.55             |
| Jan 2001                 | 936         |              | 9900    | 22.88       | 22.88        | 25.08       | 25.08        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,784.64 | -           | 4,069.89     | 4,003.34     | 66.55             |
| Feb 2001                 | 936         |              | 9900    | 22.88       | 22.88        | 25.08       | 25.08        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,788.45 | -           | 4,073.70     | 4,007.01     | 66.69             |
| Mar 2001                 | 938         |              | 9900    | 22.88       | 22.88        | 25.08       | 25.08        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,788.45 | -           | 4,073.70     | 4,007.01     | 66.69             |
| Apr 2001                 | 938         |              | 9900    | 22.88       | 22.88        | 25.08       | 25.08        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,788.45 | -           | 4,073.70     | 4,007.01     | 66.69             |
| May 2001                 | 938         |              | 9900    | 22.88       | 22.88        | 25.08       | 25.08        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,788.45 | -           | 4,073.70     | 4,007.01     | 66.69             |
| Jun 2001                 | 938         |              | 9900    | 22.88       | 22.88        | 25.08       | 25.08        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,788.45 | -           | 4,073.70     | 4,007.01     | 66.69             |
| Jul 2001                 | 947         |              | 9900    | 22.88       | 22.03        | 25.08       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,805.61 | -           | 4,090.86     | 4,023.78     | 67.08             |
| Aug 2001                 | 942         |              | 9900    | 22.88       | 22.03        | 25.08       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,796.08 | -           | 4,081.33     | 4,014.61     | 66.72             |
| Sep 2001                 | 942         |              | 9900    | 22.88       | 22.03        | 25.08       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,796.08 | -           | 4,081.33     | 4,014.61     | 66.72             |
| Oct 2001                 | 942         |              | 9900    | 22.88       | 22.03        | 25.08       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,796.08 | -           | 4,081.33     | 4,014.61     | 66.72             |
| Nov 2001                 | 943         | 18           | 9900    | 22.88       | 22.03        | 25.08       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,797.99 | 37.62       | 4,120.86     | 4,052.67     | 68.19             |
| Dec 2001                 | 943         | 18           | 9900    | 22.88       | 22.03        | 25.08       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,797.99 | 37.62       | 4,120.86     | 4,052.67     | 68.19             |
| Jan 2002                 | 942         | 18           | 9900    | 23.47       | 22.03        | 25.73       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,842.40 | 38.60       | 4,166.24     | 4,050.83     | 115.41            |
| Feb 2002                 | 942         | 18           | 9900    | 23.47       | 22.03        | 25.73       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,842.40 | 38.60       | 4,166.24     | 4,050.83     | 115.41            |
| Mar 2002                 | 962         | 18           | 9900    | 23.47       | 22.03        | 25.73       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,881.51 | 38.60       | 4,205.36     | 4,087.55     | 117.81            |
| Apr 2002                 | 962         | 18           | 9900    | 23.47       | 22.03        | 25.73       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,881.51 | 38.60       | 4,205.36     | 4,087.55     | 117.81            |
| May 2002                 | 962         | 18           | 9900    | 23.47       | 22.03        | 25.73       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,881.51 | 38.60       | 4,205.36     | 4,087.55     | 117.81            |
| Jun 2002                 | 962         | 18           | 9900    | 23.47       | 22.03        | 25.73       | 24.15        | 24.15       | 24.15        | 24.15       | 24.15        | 2.77 | 1,881.51 | 38.60       | 4,205.36     | 4,087.55     | 117.81            |
|                          |             |              |         |             |              |             |              |             |              |             |              |      |          |             | 141,866.63   | 138,081.37   | 3,785.26          |

\* In July 2000, an adjustment was made to catch up on the number of poles Telecom was using inside the city. Also, the poles shown as outside of the city from July 2000 - December 2000, were later discovered to be inside the city. Schedule 3D

Telecommunications Audit and Annual Report Allocations

|   |              |
|---|--------------|
| <b>Fiscal Year 1999-2000</b>            |              |
| EPB Audit Expenses                      | \$ 37,000.00 |
| Telecom Audit Allocation Expenses       | 5%           |
| Telecom Audit Expense                   | \$ 1,850.00  |
| EPB Annual Report Expense               | \$ 69,994.00 |
| Telecom Annual Report Percent           | 20%          |
| Telecom Annual Report Expense           | \$ 13,998.80 |
| Telecom Audit and Annual Report Expense | \$ 15,848.80 |
| <b>Fiscal Year 2000-2001</b>            |              |
| EPB Audit Expenses                      | \$ 45,000.00 |
| Telecom Audit Allocation Expenses       | 10%          |
| Telecom Audit Expense                   | \$ 4,500.00  |
| EPB Annual Report Expense               | \$ 88,560.62 |
| Telecom Annual Report Percent           | 20%          |
| Telecom Annual Report Expense           | \$ 17,712.12 |
| Telecom Audit and Annual Report Expense | \$ 22,212.12 |
| <b>Fiscal Year 2001-2002</b>            |              |
| EPB Audit Expenses                      | \$ 45,000.00 |
| Telecom Audit Allocation Expenses       | 15%          |
| Telecom Audit Expense                   | \$ 6,750.00  |
| EPB Annual Report Expense               | \$ 68,017.36 |
| Telecom Annual Report Percent           | 20%          |
| Telecom Annual Report Expense           | \$ 13,603.47 |
| Telecom Audit and Annual Report Expense | \$ 20,353.47 |

EPB TELECOM  
LIFE INSURANCE JULY 1999 - JUNE 2002

|                                   | JULY       | AUGUST     | SEPTEMBER  | OCTOBER    | NOVEMBER   | DECEMBER   | JANUARY    | FEBRUARY   | MARCH      | APRIL      | MAY        | JUNE       | TOTAL        |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| JULY 1999 - JUNE 2000             |            |            |            |            |            |            |            |            |            |            |            |            |              |
| ELECTRIC EMPLOYEES                | 442        | 446        | 434        | 431        | 445        | 442        | 428        | 426        | 418        | 424        | 423        | 423        | 5,192        |
| LIFE INSURANCE PREMIUM            | 18,755.55  | 18,930.00  | 18,613.49  | 20,019.83  | 19,273.49  | 19,302.75  | 19,216.80  | 19,714.18  | 19,595.18  | 19,691.84  | 19,830.30  | 19,806.11  | 232,849.82   |
| TELECOM EMPLOYEES                 | 6          | 6          | 9          | 10         | 10         | 10         | 11         | 18         | 22         | 23         | 28         | 24         |              |
| Life Insurance Calculation:       |            |            |            |            |            |            |            |            |            |            |            |            |              |
| TELECOM LABOR (NOTE A)            | 40,418.81  | 53,416.76  | 57,884.20  | 65,675.32  | 72,655.71  | 71,593.89  | 74,650.63  | 89,853.89  | 129,571.17 | 113,490.76 | 155,690.51 | 159,513.99 | 1,094,417.64 |
| \$321,000 TIMES 3 TIMES 12 MONTHS | 465.62     | 615.38     | -          | -          | -          | -          | -          | -          | -          | 108.95     | 1,198.82   | 1,228.26   | 3,617.04     |
| TELECOM PREM SHOULD HAVE BEEN:    | 465.62     | 616.38     | 666.83     | 756.58     | 836.99     | 824.76     | 859.88     | 1,150.32   | 1,492.66   | 1,307.41   | 1,793.55   | 1,837.69   | 12,607.69    |
| JULY 2000 - JUNE 2001             |            |            |            |            |            |            |            |            |            |            |            |            |              |
| ELECTRIC EMPLOYEES                | 425        | 425        | 422        | 423        | 449        | 427        | 427        | 405        | 414        | 414        | 427        | 415        |              |
| LIFE INSURANCE PREMIUM            | 19,532.66  | 12,899.08  | 14,244.29  | 14,035.38  | 13,604.49  | 13,595.81  | 13,726.79  | 13,822.20  | 13,992.75  | 13,598.17  | 13,068.89  | 13,151.89  | 168,546.00   |
| TELECOM EMPLOYEES                 | 26         | 27         | 27         | 28         | 29         | 30         | 31         | 31         | 31         | 31         | 32         | 34         |              |
| Life Insurance Calculation:       |            |            |            |            |            |            |            |            |            |            |            |            |              |
| TELECOM LABOR (NOTE B)            | 163,001.63 | 162,301.77 | 139,304.43 | 125,121.49 | 159,303.56 | 155,090.39 | 170,850.00 | 152,942.65 | 166,370.94 | 183,479.50 | 193,631.82 | 147,505.47 | 1,917,303.45 |
| \$321,000 TIMES 3                 | 166.48     | 102.25     | 87.13      | 78.83      | 100.36     | 97.71      | 107.64     | 96.35      | 104.81     | 115.59     | 121.99     | 82.93      | 1,105.59     |
| \$211,000 TIMES 3                 |            |            |            |            |            |            |            |            |            |            |            |            | 1,282.07     |
| TELECOM PREM SHOULD HAVE BEEN:    | 1,877.78   | 1,227.00   | 1,045.58   | 945.92     | 1,204.33   | 1,172.48   | 1,291.63   | 1,156.25   | 1,257.76   | 1,397.11   | 1,463.86   | 1,115.14   | 15,144.84    |
| JULY 2001 - JUNE 2002             |            |            |            |            |            |            |            |            |            |            |            |            |              |
| ELECTRIC EMPLOYEES                | 406        | 405        | 406        | 408        | 412        | 416        | 418        | 408        | 410        | 407        | 406        | 402        |              |
| LIFE INSURANCE PREMIUM            | 14,159.88  | 14,099.19  | 13,498.49  | 13,498.19  | 14,160.63  | 13,673.44  | 13,453.39  | 14,688.15  | 13,671.52  | 13,507.74  | 14,068.06  | 13,480.35  | 165,967.13   |
| TELECOM EMPLOYEES                 | 38         | 38         | 39         | 40         | 40         | 40         | 40         | 41         | 41         | 39         | 39         | 39         |              |
| Life Insurance Calculation:       |            |            |            |            |            |            |            |            |            |            |            |            |              |
| TELECOM LABOR (NOTE C)            | 190,841.87 | 185,693.21 | 147,907.67 | 178,692.53 | 161,171.62 | 144,650.27 | 161,925.05 | 163,554.50 | 151,665.91 | 171,622.53 | 182,690.74 | 163,794.38 | 2,004,200.38 |
| \$211,000 TIMES 3                 | 120.23     | 116.98     | 93.18      | 112.58     | 101.54     | 91.13      | 102.01     | 105.02     | 99.83      | 106.12     | 115.10     | 103.19     | 1,289.01     |
| TELECOM PREM SHOULD HAVE BEEN:    | 1,442.77   | 1,403.77   | 1,118.18   | 1,350.92   | 1,218.46   | 1,093.56   | 1,224.15   | 1,236.47   | 1,146.59   | 1,297.47   | 1,391.14   | 1,238.29   | 15,151.75    |

- (A) Calculation was correct in July & August 1999; changes were omitted September through March. April, May & June charges were calculated incorrectly.
- (B) Calculation was \$321,000 times 3 for July 2000 and should have been \$321,000 times 3 times 12.
- (C) Calculation for August 2000 through June 2001 was \$211,000 times 3 and should have been \$211,000 times 3 times 12.
- (C) Calculation for July 2001 - June 2002 was \$211,000 times 3 and should have been \$211,000 times 3 times 12.

TELECOMMUNICATIONS WORKERS COMPENSATION

|  | JULY       | AUGUST     | SEPTEMBER  | OCTOBER    | NOVEMBER   | DECEMBER   | JANUARY    | FEBRUARY   | MARCH      | APRIL      | MAY        | JUNE       | TOTAL        |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| <u>Fiscal Year 1999-2000</u>               |            |            |            |            |            |            |            |            |            |            |            |            |              |
| Labor Expense                              | 40,418.81  | 53,418.76  | 57,884.20  | 65,675.32  | 72,655.71  | 71,593.89  | 74,650.63  | 99,853.89  | 129,571.17 | 113,490.76 | 155,690.51 | 159,513.99 | 1,094,417.84 |
| Rate per Labor Dollar (.32 per 100)        | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032       |
| Workers Compensation Expense               | 129.34     | 170.94     | 185.23     | 210.16     | 232.50     | 229.10     | 238.88     | 319.53     | 414.63     | 363.17     | 498.21     | 510.44     | 3,502.13     |
| <u>Fiscal Year 2000-2001</u>               |            |            |            |            |            |            |            |            |            |            |            |            |              |
| Labor Expense                              | 163,001.63 | 162,301.77 | 138,304.43 | 125,121.49 | 159,303.56 | 155,090.39 | 170,856.25 | 152,942.65 | 166,370.94 | 183,479.50 | 193,631.62 | 147,505.47 | 1,917,909.70 |
| Rate per Labor Dollar (.32 per 100)        | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032       |
| Workers Compensation Expense               | 521.61     | 519.37     | 442.57     | 400.39     | 509.77     | 496.29     | 546.74     | 489.42     | 532.39     | 587.13     | 619.62     | 472.02     | 6,137.32     |
| <u>Fiscal Year 2001-2002</u>               |            |            |            |            |            |            |            |            |            |            |            |            |              |
| Labor Expense                              | 190,841.97 | 233,482.08 | 209,389.29 | 223,752.71 | 215,855.35 | 192,198.84 | 189,453.39 |            |            |            |            |            | 1,454,973.63 |
| Rate per Labor Dollar (.32 per 100)        | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     | 0.0032     |            |            |            |            |            |              |
| Workers Compensation Expense               | 610.69     | 747.14     | 670.05     | 716.01     | 690.74     | 615.04     | 606.25     |            |            |            |            |            | 4,655.92     |
| <u>Outside Labor Workers Comp. Expense</u> |            |            |            |            |            |            |            |            |            |            |            |            |              |
| Inside Labor Workers Comp. Expense         |            |            |            |            |            |            |            | 8,960.00   | 8,960.00   | 8,960.00   | 8,960.00   | 8,960.00   | 44,800.00    |
|  |            |            |            |            |            |            |            | 255.00     | 255.00     | 255.00     | 255.00     | 255.00     | 1,275.00     |
| Total Workers Compensation Expense         | 610.69     | 747.14     | 670.05     | 716.01     | 690.74     | 615.04     | 606.25     | 9,215.00   | 9,215.00   | 9,215.00   | 9,215.00   | 9,215.00   | 50,730.92    |

Note: For period of February-June 2002: A change was made in calculating workers compensation. The total premium for EPB was 723,904 of which 110,588 or 9,215 per month was determined to be Telecom based on rates of 5.70 per 100 for outside labor & .33 per 100 for inside labor.

TELECOMMUNICATIONS DENTAL INSURANCE COSTS

|  | JULY       | AUGUST    | SEPTEMBER | OCTOBER   | NOVEMBER  | DECEMBER | JANUARY   | FEBRUARY  | MARCH     | APRIL     | MAY       | JUNE      | TOTAL      |
|--|------------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <b>FISCAL YEAR 2000-2001</b>                                   |            |           |           |           |           |          |           |           |           |           |           |           |            |
| Total Telecom employees w/dental ins.                          | 25         | 25        | 25        | 26        | 26        | 26       | 27        | 27        | 28        | 28        | 29        | 30        |            |
| Total EPB employees w/dental ins.                              | 437        | 438       | 435       | 438       | 412       | 412      | 413       | 413       | 421       | 421       | 422       | 422       |            |
| Employee ratio (Telecom)                                       | 0.05721    | 0.05708   | 0.05747   | 0.05936   | 0.06311   | 0.06311  | 0.06538   | 0.06638   | 0.06651   | 0.06651   | 0.06872   | 0.07109   |            |
| Total EPB Dental Costs   | 15,086,444 | 12,250,45 | 13,354,43 | 11,198,00 | 14,562,00 | 9,007,38 | 13,748,46 | 10,871,82 | 17,507,34 | 15,913,39 | 12,167,31 | 17,605,99 |            |
| Allocated Telecom Dental Costs                                 | 863,07     | 699,23    | 767,50    | 664,72    | 918,96    | 568,43   | 898,81    | 710,75    | 1,164,38  | 1,058,37  | 836,14    | 1,251,61  | 10,401,97  |
| <b>JUNE 2001 ADJUSTMENT FOR CAPITALIZATION OF BENEFITS YTD</b> |            |           |           |           |           |          |           |           |           |           |           |           |            |
| TOTAL DENTAL REPORTED ON 2001 REPORT                           |            |           |           |           |           |          |           |           |           |           |           |           | (1,895.65) |
|  |            |           |           |           |           |          |           |           |           |           |           |           | 8,506.32   |
| <b>FISCAL YEAR 2001-2002</b>                                   |            |           |           |           |           |          |           |           |           |           |           |           |            |
| Total Telecom employees w/dental ins.                          | 33         | 34        | 34        | 35        | 36        | 36       | 36        | 37        | 37        | 36        | 36        | 36        |            |
| Total EPB employees w/dental ins.                              | 424        | 427       | 424       | 426       | 428       | 429      | 430       | 429       | 429       | 431       | 428       | 428       |            |
| Employee ratio (Telecom)                                       | 0.07763    | 0.07963   | 0.08019   | 0.08216   | 0.08411   | 0.08392  | 0.08372   | 0.08625   | 0.08625   | 0.08353   | 0.08411   | 0.08411   |            |
| Total EPB Dental Costs   | 17,605,99  | 13,383,28 | 18,009,56 | 13,913,83 | 11,379,94 | 9,834,72 | 12,830,31 | 16,752,49 | 13,517,20 | 8,724,60  | 14,418,35 | 14,769,44 |            |
| Allocated Telecom Dental Costs                                 | 1,370,28   | 1,085,65  | 1,444,16  | 1,143,16  | 957,19    | 825,29   | 1,074,17  | 1,444,85  | 1,165,82  | 728,74    | 1,212,76  | 1,242,29  | 13,674,35  |
| <b>JUNE 2002 ADJUSTMENT FOR CLAIMS FILED BUT NOT PAID</b>      |            |           |           |           |           |          |           |           |           |           |           |           |            |
| TOTAL DENTAL REPORTED ON 2002 TRA REPORT                       |            |           |           |           |           |          |           |           |           |           |           |           | 816.20     |
|  |            |           |           |           |           |          |           |           |           |           |           |           | 14,490.55  |



**Electric Power Board  
of Chattanooga**

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**Actuarial Report  
for the  
Electric Power Board of Chattanooga  
Retirement Plan**

**For Plan Year  
Beginning August 1, 1999  
and  
Ending July 31, 2000**

**September 23, 1999**

Schedule 8A

## Summary of Actuarial Valuation

|  |                                 |
|--|---------------------------------|
| 1. Effective Date of Plan:                               | August 1, 1944                  |
| 2. Plan Year:  | August 1, 1999 to July 31, 2000 |
| 3. Valuation Date:                                       | August 1, 1999                  |
| 4. Actuarial Cost Method:                                | Aggregate                       |
| 5. Participants Covered:                                 |                                 |
| a) Active  | 425                             |
| b) Retired – Direct Payment                              | 13                              |
| c) Long-Term Disability (LTD)                            | 16                              |
| d) Terminated with Vested Benefit                        | 23                              |
| e) Death Benefit   | 4                               |
| Total  | <u>480</u>                      |
| 6. Monthly Covered Earnings (Active & LTD): <sup>1</sup> | \$1,634,144                     |
| 7. Monthly Prospective Retirement Benefits:              | \$860,690                       |
| 8. Plan Assets (Market Value):                           |                                 |
| a) Fixed Income (36%)                                    | \$17,302,005                    |
| b) Equities (52%)  | 25,155,010                      |
| c) REITs (10%)   | 4,579,992                       |
| d) Cash (2%)   | <u>1,078,409</u>                |
| Total  | \$48,115,416                    |
| 9. Required Plan Contributions:                          |                                 |
| A. Minimum   |                                 |
| 1) As of August 1, 1999                                  | \$728,029                       |
| B. Maximum   |                                 |
| 2) As of August 1, 1999                                  | \$788,091                       |

<sup>1</sup> Includes monthly covered earnings (at time of disability) of LTD participants.



**Electric Power Board  
of Chattanooga**

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**Actuarial Report  
for the  
Electric Power Board of Chattanooga  
Retirement Plan**

**For Plan Year  
Beginning August 1, 2000  
and  
Ending July 31, 2001**

**October 2000**

## *Summary of Actuarial Valuation*

|  |                                 |
|--|---------------------------------|
| 1. Effective Date of Plan:                               | August 1, 1944                  |
| 2. Plan Year:  | August 1, 2000 to July 31, 2001 |
| 3. Valuation Date:                                       | August 1, 2000                  |
| 4. Actuarial Cost Method:                                | Aggregate                       |
| 5. Participants Covered:                                 |                                 |
| a) Active  | 417                             |
| b) Retired – Direct Payment                              | 16                              |
| c) Long-Term Disability (LTD)                            | 14                              |
| d) Terminated with Vested Benefit                        | 41                              |
| e) Death Benefit to Beneficiaries                        | 0                               |
| Total  | <u>488</u>                      |
| 6. Monthly Covered Earnings (Active & LTD): <sup>1</sup> | \$1,700,563                     |
| 7. Monthly Prospective Retirement Benefits:              | \$889,388                       |
| 8. Plan Assets (Market Value):                           |                                 |
| a) Fixed Income (36%)                                    | \$18,025,004                    |
| b) Equities (51%)  | 25,305,986                      |
| c) REITs (11%)   | 5,593,196                       |
| d) Cash (2%)   | <u>839,523</u>                  |
| Total  | \$49,763,709                    |
| 9. Required Plan Contributions:                          |                                 |
| A. Minimum   |                                 |
| 1) As of August 1, 2000                                  | \$986,036                       |
| B. Maximum   |                                 |
| 2) As of August 1, 2000                                  | \$1,069,849                     |

<sup>1</sup> Includes monthly covered earnings (at time of disability) of LTD participants.

***Division of Actuarial Cost***

|                                      | <u>Telecom</u> | <u>Other</u> |
|--------------------------------------|----------------|--------------|
| 1. Covered Compensation <sup>1</sup> | \$716,508      | \$19,607,604 |
| 2. Required Plan Contributions       |                |              |
| - Minimum                            | \$34,762       | \$951,274    |
| - Maximum                            | \$37,716       | \$1,032,132  |

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<sup>1</sup> Actuarial cost allocated by covered compensation.



**Electric Power Board  
of Chattanooga**

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**Actuarial Report  
for the  
Electric Power Board of Chattanooga  
Retirement Plan**

**For Plan Year  
Beginning August 1, 2001  
and  
Ending July 31, 2002**

**November 2001**

Schedule 8C

## *Summary of Actuarial Valuation*

|  |                                 |
|--|---------------------------------|
| 1. Effective Date of Plan:                               | August 1, 1944                  |
| 2. Plan Year:  | August 1, 2001 to July 31, 2002 |
| 3. Valuation Date:                                       | August 1, 2001                  |
| 4. Actuarial Cost Method:                                | Aggregate                       |
| 5. Participants Covered:                                 |                                 |
| a) Active – General                                      | 382                             |
| b) Active – Telecom                                      | 27                              |
| c) Retired – Direct Payment                              | 16                              |
| d) Long-Term Disability (LTD)                            | 14                              |
| e) Terminated with Vested Benefit                        | 57                              |
| f) Death Benefit to Beneficiaries                        | 2                               |
| g) Total   | <u>498</u>                      |
| 6. Monthly Covered Earnings (Active & LTD): <sup>1</sup> | \$1,729,741                     |
| 7. Monthly Prospective Retirement Benefits:              | \$900,844                       |
| 8. Plan Assets (Market Value):                           |                                 |
| a) Fixed Income (37%)                                    | \$16,837,426                    |
| b) Equities (46%)  | 20,841,641                      |
| c) REITs (11%)   | 4,810,811                       |
| d) Cash (6%)   | <u>2,681,599</u>                |
| e) Total   | \$45,171,477                    |
| 9. Required Plan Contributions:                          |                                 |
| a. Minimum (as of August 1, 2001)                        | \$1,058,798                     |
| b. Maximum (ss of August 1, 2001)                        | \$1,148,796                     |

<sup>1</sup> Includes monthly covered earnings (at time of disability) of LTD participants.

***Division of Actuarial Cost***

|                                      | <u>Telecom</u> | <u>Other</u> |
|--------------------------------------|----------------|--------------|
| 1. Covered Compensation <sup>1</sup> | \$1,494,012    | \$19,176,624 |
| 2. Required Plan Contributions       |                |              |
| - Minimum                            | \$76,526       | \$982,271    |
| - Maximum                            | \$83,032       | \$1,065,764  |

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<sup>1</sup> Actuarial cost allocated by covered compensation.

# Telecommunications Pension Expenses

|                       | JULY     | AUGUST   | SEPTEMBER | OCTOBER  | NOVEMBER | DECEMBER | JANUARY  | FEBRUARY | MARCH    | APRIL    | MAY      | JUNE     | TOTAL     |
|-----------------------|----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Fiscal Year 2000-2001 |          |          |           |          |          |          |          |          |          |          |          |          |           |
| Pension Charges       | 4,563.00 | 3,143.00 | 3,143.00  | 3,143.00 | 3,143.00 | 3,143.00 | 3,143.00 | 3,143.00 | 3,143.00 | 3,143.00 | 3,143.00 | 3,143.00 | 39,136.00 |
| Fiscal Year 2001-2002 |          |          |           |          |          |          |          |          |          |          |          |          |           |
| Pension Charges       | 3,143.00 | 6,919.00 | 6,919.00  | 6,919.00 | 6,919.00 | 6,919.00 | 6,919.00 | 6,919.00 | 6,919.00 | 6,919.00 | 6,919.00 | 6,919.00 | 79,252.00 |

Note 1: July 2000 Pension Expense was calculated using the ratio of Telecom labor to total EPB labor times \$788,091/12. From Schedule 8A, Page 2, \$788,091 is the total EPB Pension costs for August 1999 through July 2000.  
 Note 2: August 2000 through July 2001 Pension Expense was calculated by dividing \$37,716 by 12. From schedule 8B, Page 11, \$37,716 is the maximum Telecom Pension Plan contribution for August 2000 through July 2001.  
 Note 3: August 2001 through June 2002 Pension Expense was calculated by dividing \$83,032 by 12. From Schedule 8C, Page 12, \$83,032 is the maximum Telecom Pension Plan contribution for August 2001 through July 2002.



**Electric Power Board  
of Chattanooga**

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**1999 Actuarial Valuation of the  
Post-Retirement Medical  
and  
Death Benefit Plans**

**September 30, 1999**

Schedule 9A

**Disclosure Requirements**  
**For the Fiscal Year Ended June 30, 2000**

**Development of Net Periodic Post-retirement  
Benefit Cost**

## A. Plan Population:

|                     |     |
|---------------------|-----|
| 1. Active Employees | 448 |
| 2. LTD Employees    | 17  |
| 3. Retirees         | 267 |
| 4. Spouses          | 191 |

## B. Development of Net Periodic Post-retirement Benefit Cost:

## 1. Service Cost:

|                                   |               |           |
|-----------------------------------|---------------|-----------|
| a) Beginning of Year Service Cost | \$388,023     |           |
| b) Interest to End of Year        | <u>27,162</u> |           |
| c) Total Service Cost             |               | \$415,185 |

## 2. Interest Cost:

|   |                |           |
|---|----------------|-----------|
| a) Accumulated Post-retirement Benefit Obligation | 15,229,923     |           |
| b) Expected Distributions                         | <u>847,076</u> |           |
| c) Interest Cost                                  |                | 1,036,447 |

## 3. Expected Return on Assets:

|   |                  |         |
|---|------------------|---------|
| a) Beginning of Year Actuarial Asset Value  | 8,214,620        |         |
| b) Expected Distributions                   | 847,076          |         |
| c) Expected Contributions                   | 800,000          |         |
| d) Average Expected Asset Value During Year | <u>8,191,082</u> |         |
| e) Expected Return on Assets                |                  | 675,764 |

## 4. Amortization Amounts:

|                               |          |                |
|-------------------------------|----------|----------------|
| a) Transitional Amount        | 0        |                |
| b) Prior Service Cost         | (5,060)  |                |
| c) (Gain) or Loss             | <u>0</u> |                |
| d) Total Amortization Amounts |          | <u>(5,060)</u> |

|   |  |           |
|---|--|-----------|
| 5. Net Periodic Post-retirement Benefit Cost<br>[(1) + (2) - (3) + (4)] |  | \$770,808 |
|---|--|-----------|



**Electric Power Board  
of Chattanooga**

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**2000 Actuarial Valuation of the  
Post-Retirement Medical  
and  
Death Benefit Plans**

**October 28, 2000**

Schedule 9B

**Disclosure Requirements**  
**For the Fiscal Year Ended June 30, 2001**

**Development of Net Periodic Post-retirement  
Benefit Cost**

## A. Plan Population:

|                      |     |
|----------------------|-----|
| 1. General Employees | 414 |
| 2. Telecom Employees | 26  |
| 3. LTD Employees     | 12  |
| 4. Retirees          | 274 |
| 5. Spouses           | 169 |

## B. Development of Net Periodic Post-retirement Benefit Cost:

## 1. Service Cost:

|                                   |               |           |
|-----------------------------------|---------------|-----------|
| a) Beginning of Year Service Cost | \$403,664     |           |
| b) Interest to End of Year        | <u>28,256</u> |           |
| c) Total Service Cost             |               | \$431,920 |

## 2. Interest Cost:

|   |                |           |
|---|----------------|-----------|
| a) Accumulated Post-retirement Benefit Obligation | 15,549,738     |           |
| b) Expected Distributions                         | <u>866,574</u> |           |
| c) Interest Cost                                  |                | 1,058,152 |

## 3. Expected Return on Assets:

|   |                  |         |
|---|------------------|---------|
| a) Beginning of Year Actuarial Asset Value  | 8,870,439        |         |
| b) Expected Distributions                   | 866,574          |         |
| c) Expected Contributions                   | 825,000          |         |
| d) Average Expected Asset Value During Year | <u>8,849,642</u> |         |
| e) Expected Return on Assets                |                  | 707,972 |

## 4. Amortization Amounts:

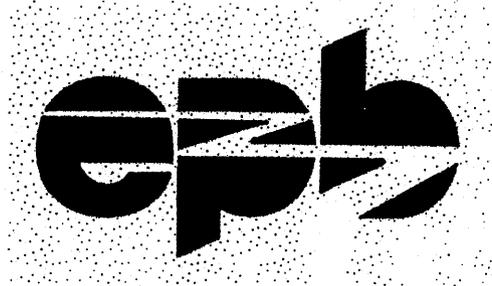
|                               |          |                |
|-------------------------------|----------|----------------|
| a) Transitional Amount        | 0        |                |
| b) Prior Service Cost         | (1,242)  |                |
| c) (Gain) or Loss             | <u>0</u> |                |
| d) Total Amortization Amounts |          | <u>(1,242)</u> |

|   |  |           |
|---|--|-----------|
| 5. Net Periodic Post-retirement Benefit Cost<br>[(1) + (2) - (3) + (4)] |  | \$780,858 |
|---|--|-----------|

***Disclosure Requirements***  
***For the Fiscal Year Ended June 30, 2001***

**Division of Net Periodic Post-retirement  
Benefit Cost**

|   |            |
|---|------------|
| A. Total Net Periodic Post-retirement Benefit Cost                                  | \$780,858  |
| B. Estimation of Net Periodic Post-retirement Benefit Cost Due To Telecom Employees |            |
| 1. Service Cost   | \$35,656   |
| 2. Interest Cost  | 3,467      |
| 3. Expected Return on Assets  |            |
| – Assets Divided Proportionately on APBO  | 2,260      |
| 4. Amortization Amounts   |            |
| – Amounts Divided Proportionately on APBO   | <u>(4)</u> |
| 5. Net Periodic Post-retirement Benefit Cost Due to Telecom Employees               | \$36,859   |



**Electric Power Board  
of Chattanooga**

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**2001 Actuarial Valuation of the  
Post-Retirement Medical  
and  
Death Benefit Plans**

**November 2001**

Schedule 9C

**Disclosure Requirements**  
**For the Fiscal Year Ended June 30, 2002**

**Development of Net Periodic Post-retirement  
Benefit Cost**

## A. Plan Population:

|                      |     |
|----------------------|-----|
| 1. General Employees | 406 |
| 2. Telecom Employees | 27  |
| 3. LTD Employees     | 13  |
| 4. Retirees          | 304 |
| 5. Spouses           | 187 |

## B. Development of Net Periodic Post-retirement Benefit Cost:

## 1. Service Cost:

|                                   |               |           |
|-----------------------------------|---------------|-----------|
| a) Beginning of Year Service Cost | \$443,065     |           |
| b) Interest to End of Year        | <u>31,015</u> |           |
| c) Total Service Cost             |               | \$474,080 |

## 2. Interest Cost:

|   |                  |           |
|---|------------------|-----------|
| a) Accumulated Post-retirement Benefit Obligation | 18,475,233       |           |
| b) Expected Distributions                         | <u>1,176,849</u> |           |
| c) Interest Cost                                  |                  | 1,252,077 |

## 3. Expected Return on Assets:

|   |                  |         |
|---|------------------|---------|
| a) Beginning of Year Actuarial Asset Value  | 9,266,860        |         |
| b) Expected Distributions                   | 1,176,849        |         |
| c) Expected Contributions                   | 1,000,000        |         |
| d) Average Expected Asset Value During Year | <u>9,178,436</u> |         |
| e) Expected Return on Assets                |                  | 734,275 |

## 4. Amortization Amounts:

|                               |          |                |
|-------------------------------|----------|----------------|
| a) Transitional Amount        | 0        |                |
| b) Prior Service Cost         | (1,242)  |                |
| c) (Gain) or Loss             | <u>0</u> |                |
| d) Total Amortization Amounts |          | <u>(1,242)</u> |

|   |  |           |
|---|--|-----------|
| 5. Net Periodic Post-retirement Benefit Cost<br>[(1) + (2) - (3) + (4)] |  | \$990,640 |
|---|--|-----------|

***Disclosure Requirements***  
***For the Fiscal Year Ended June 30, 2002***

**Division of Net Periodic Post-retirement  
Benefit Cost**

|   |            |
|---|------------|
| A. Total Net Periodic Post-retirement Benefit Cost                                  | \$990,640  |
| B. Estimation of Net Periodic Post-retirement Benefit Cost Due To Telecom Employees |            |
| 1. Service Cost   | \$39,676   |
| 2. Interest Cost  | 9,332      |
| 3. Expected Return on Assets<br>– Assets Divided Proportionately on APBO            | 5,718      |
| 4. Amortization Amounts<br>– Amounts Divided Proportionately on APBO                | <u>(6)</u> |
| 5. Net Periodic Post-retirement Benefit Cost Due to Telecom Employees               | \$43,284   |

EP8 TELECOM  
BUILDING RENTAL EXPENSE

|  | JULY     | AUGUST   | SEPTEMBER | OCTOBER  | NOVEMBER | DECEMBER | JANUARY  | FEBRUARY | MARCH    | APRIL    | MAY      | JUNE     | TOTAL      |
|--|----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------------|
| 1999 - 2000  |          |          |           |          |          |          |          |          |          |          |          |          |            |
| SQUARE FEET  | 3,456    | 3,456    | 3,456     | 3,456    | 3,456    | 3,456    | 3,456    | 6,046    | 6,046    | 8,093    | 8,093    | 8,093    | 60,563.00  |
| RATE PER SQ FT   | 1.09     | 1.09     | 1.09      | 1.09     | 1.09     | 1.09     | 1.09     | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 13.38      |
| MONTHLY RENTAL EXPENSE   | 3,767.04 | 3,767.04 | 3,767.04  | 3,767.04 | 3,767.04 | 3,767.04 | 3,767.04 | 6,952.90 | 6,952.90 | 9,306.95 | 9,306.95 | 9,306.95 | 68,195.93  |
| 2000 - 2001  |          |          |           |          |          |          |          |          |          |          |          |          |            |
| SQUARE FEET  | 8,093    | 8,093    | 8,093     | 8,093    | 8,093    | 8,093    | 8,093    | 8,093    | 8,093    | 8,093    | 8,093    | 8,093    | 97,116.00  |
| RATE PER SQ FT   | 1.15     | 1.15     | 1.15      | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 13.80      |
| MONTHLY RENTAL EXPENSE   | 9,306.95 | 9,306.95 | 9,306.95  | 9,306.95 | 9,306.95 | 9,306.95 | 9,306.95 | 9,306.95 | 9,306.95 | 9,306.95 | 9,306.95 | 9,306.95 | 111,683.40 |
| 2001 - 2002  |          |          |           |          |          |          |          |          |          |          |          |          |            |
| SQUARE FEET  | 7,389    | 7,389    | 7,389     | 7,389    | 7,389    | 7,389    | 7,389    | 7,389    | 7,389    | 7,389    | 7,389    | 7,389    | 88,673.76  |
| RATE PER SQ FT   | 1.15     | 1.15     | 1.15      | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 1.15     | 13.80      |
| MONTHLY RENTAL EXPENSE   | 8,497.90 | 8,497.90 | 8,497.90  | 8,497.90 | 8,497.90 | 8,497.90 | 8,497.90 | 8,497.90 | 8,497.90 | 8,497.90 | 8,497.90 | 8,497.90 | 101,974.82 |
| OTHER RENTAL PAID TO 'BELL SOUTH<br>PRO CAB'S', REPORTED TO TRAA'S<br>BUILDING RENTAL IN ERROR |          |          | 2,192.50  | 2,192.50 | 2,192.50 | 2,866.78 | 3,604.94 | 2,897.63 | 2,890.00 | 2,890.00 | 1,627.50 | 4,152.50 | 27,506.85  |
| TOTAL REPORTED ON 2001 - 2001 REPORT   |          |          |           |          |          |          |          |          |          |          |          |          | 129,481.67 |

Telecom Wage Analysis for 2001

| G/L Account # | G/L Amount   | Capitalized Labor | Total Costs  | Total Costs by Dept. | Wages from Payroll |
|---------------|--------------|-------------------|--------------|----------------------|--------------------|
| 116210.020    | 222,242.12   |                   | 222,242.12   |                      |                    |
| 116210.021    | 500.83       |                   | 500.83       | 222,742.95           | 221,515.80         |
| 126410.020    | 82,221.02    | 285,269.22        | 367,490.24   | 384,610.03           | 394,212.94         |
| 126410.021    | 9,846.67     | 7,273.12          | 17,119.79    |                      |                    |
| 136530.020    | 67,536.35    | 124,344.69        | 191,881.04   | 192,857.73           | 196,487.75         |
| 136530.021    | 976.69       |                   | 976.69       |                      |                    |
| 146510.020    | 130,066.61   |                   | 130,066.61   |                      |                    |
| 146510.021    | 1,827.21     |                   | 1,827.21     | 131,893.82           | 133,007.62         |
| 206610.020    | 524,519.02   |                   | 524,519.02   |                      |                    |
| 206610.023    | 300,019.65   |                   | 300,019.65   | 824,538.67           | 822,421.78         |
| 306620.020    | 63,216.98    |                   | 63,216.98    | 65,253.26            | 64,437.04          |
| 306620.021    | 2,036.28     |                   | 2,036.28     |                      |                    |
| 906710.020    | 154,929.27   |                   | 154,929.27   |                      |                    |
| 906720.020    | 60,089.54    |                   | 60,089.54    | 215,018.81           | 204,215.32         |
| TOTALS        | 1,620,028.24 | 416,887.03        | 2,036,915.27 | 2,036,915.27         | 2,036,298.25       |

Telecom Wage Analysis for 2001

| Dept # | Emp # | Name                 | Hire Date  | Term Date  | Wages      |       |
|--------|-------|----------------------|------------|------------|------------|-------|
| 11     | 950   | Krajesky, Edwin      | 8/2/1999   |            | 86,977.22  |       |
| 11     | 970   | Brannon, Christopher | 2/21/2000  | 2/16/2001  | 33,242.97  |       |
| 11     | 972   | Seiffert, John       | 3/13/2000  |            | 16,348.85  | Moved |
| 11     | 1011  | Morris, James        | 6/26/2000  | 7/12/2000  | 2,005.09   |       |
| 11     | 1017  | Purcell, John        | 7/26/2000  |            | 56,197.27  |       |
| 11     | 1059  | Massengall, Stacey   | 2/5/2001   |            | 3,327.09   | Moved |
| 11     | 1061  | Harper, Sharolynn    | 2/19/2001  |            | 23,417.31  |       |
|        |       |                      |            |            | 221,515.80 |       |
| 12     | 541   | Owens, Gary          | 7/15/1991  |            | 74,953.61  |       |
| 12     | 794   | Lockhart, Glynn      | 10/28/1996 |            | 58,078.63  |       |
| 12     | 966   | Garrett, Jeremy      | 2/7/2000   |            | 45,226.83  |       |
| 12     | 971   | Mercer, Craig        | 2/21/2000  |            | 59,564.50  |       |
| 12     | 972   | Seiffert, John       | 3/13/2000  |            | 38,629.11  | Moved |
| 12     | 974   | Roden, Frank         | 4/17/2000  |            | 51,154.87  |       |
| 12     | 1032  | Jones, Kenneth       | 10/23/2000 |            | 33,874.01  |       |
| 12     | 1054  | Payne, Mark          | 1/8/2001   |            | 23,979.63  |       |
| 12     | 1059  | Massengall, Stacey   | 2/5/2001   |            | 8,751.75   | Moved |
|        |       |                      |            |            | 394,212.94 |       |
| 13     | 895   | Hay III, Robert      | 9/23/1998  |            | 82,441.31  |       |
| 13     | 965   | Dotson, Jimmy        | 2/7/2000   |            | 65,354.05  |       |
| 13     | 984   | Moore, Robbie        | 5/8/2000   | 3/7/2003   | 35,943.50  |       |
| 13     | 1074  | Brown, Leslie        | 4/2/2001   |            | 12,748.89  |       |
|        |       |                      |            |            | 196,487.75 |       |
| 14     | 957   | Williams, Andrea     | 9/13/1999  | 9/20/2001  | 49,882.06  |       |
| 14     | 963   | Donaldson, Dale      | 2/1/2000   |            | 36,802.56  |       |
| 14     | 969   | Pursley, Marilyn     | 2/21/2000  | 7/12/2002  | 35,435.80  |       |
| 14     | 1044  | Kinsey, Christie     | 12/4/2000  | 3/19/2001  | 8,944.80   |       |
| 14     | 1110  | Lucas, Valerie       | 6/11/2001  |            | 1,442.40   |       |
| 14     | 1113  | Sanford, Melissa     | 6/25/2001  | 9/9/2002   | 500.00     |       |
|        |       |                      |            |            | 133,007.62 |       |
| 20     | 951   | Hunsucker, Elizabeth | 8/9/1999   | 4/9/2002   | 127,790.21 |       |
| 20     | 958   | George, Deborah Lee  | 10/4/1999  |            | 145,406.88 |       |
| 20     | 962   | Glass, Jeffrey       | 1/4/2000   |            | 113,825.62 |       |
| 20     | 964   | Rowden, Todd         | 2/7/2000   |            | 77,851.03  |       |
| 20     | 967   | Whitaker, Matthew    | 2/7/2000   | 4/12/2002  | 45,832.45  | Moved |
| 20     | 968   | Callahan, Michael    | 2/7/2000   | 10/27/2000 | 28,220.43  |       |
| 20     | 988   | Savard, Louis        | 5/15/2000  |            | 113,420.86 |       |
| 20     | 1012  | Vreeland, Catherine  | 6/26/2000  | 7/6/2001   | 74,778.41  |       |
| 20     | 1038  | Keith, Stacy         | 11/13/2000 |            | 41,250.76  |       |
| 20     | 1041  | King, Ann            | 11/27/2000 |            | 47,200.33  |       |
| 20     | 1108  | Peace, Sherry        | 6/4/2001   |            | 6,364.00   |       |
| 20     | 1111  | Brewster, Scott      | 6/25/2001  |            | 480.80     |       |
|        |       |                      |            |            | 822,421.78 |       |
| 30     | 349   | Owens, Katherine     | 9/21/1981  |            | 39,316.49  |       |
| 30     | 537   | McEvoy, Marcia       | 4/12/1999  | 2/19/2001  | 14,031.47  |       |
| 30     | 967   | Whitaker, Matthew    | 2/7/2000   |            | (36.51)    | Moved |

Telecom Wage Analysis for 2001

|    |      |                      |           |           |              |       |
|----|------|----------------------|-----------|-----------|--------------|-------|
| 30 | 1005 | Hewitt, Gregory      | 5/30/2000 |           | 6,760.48     | Moved |
| 30 | 1083 | Frizzell, Misty      | 5/7/2001  | 9/6/2002  | 4,365.11     |       |
|    |      |                      |           |           | 64,437.04    |       |
| 90 | 934  | Chapman Jr., William | 5/17/1999 | 1/31/2003 | 147,503.17   |       |
| 90 | 1005 | Hewitt, Gregory      | 5/30/2000 |           | 56,712.15    | Moved |
|    |      |                      |           |           | 204,215.32   |       |
|    |      |                      |           | TOTAL     | 2,036,298.25 |       |

Telecom Wage Analysis for 2002

| G/L Account # | G/L Amount   | Capitalized Labor | Total Costs  | Total Costs by Dept. | Wages from Payroll |
|---------------|--------------|-------------------|--------------|----------------------|--------------------|
| 116210.020    | 326,808.55   |                   | 326,808.55   |                      |                    |
| 116210.021    | 1,637.41     |                   | 1,637.41     | 328,445.96           | 320,787.58         |
| 126410.020    | 101,207.25   | 290,868.97        | 392,076.22   |                      |                    |
| 126410.021    | 42,088.19    | 7,774.18          | 49,862.37    | 441,938.59           | 437,504.88         |
| 136530.020    | 70,101.18    | 179,989.67        | 250,090.85   |                      |                    |
| 136530.021    | 2,214.65     |                   | 2,214.65     | 252,305.50           | 245,400.01         |
| 146510.020    | 195,437.17   |                   | 195,437.17   |                      |                    |
| 146510.021    | -            |                   | -            | 195,437.17           | 196,843.88         |
| 206610.020    | 616,466.65   |                   | 616,466.65   |                      |                    |
| 206610.023    | 393,428.35   |                   | 393,428.35   | 1,009,895.00         | 1,013,642.25       |
| 306620.020    | 128,253.44   |                   | 128,253.44   |                      |                    |
| 306620.021    | 8,943.46     |                   | 8,943.46     | 137,196.90           | 130,145.89         |
| 906710.020    | 192,776.80   |                   | 192,776.80   |                      |                    |
| 906720.020    | -            |                   | -            | 192,776.80           | 186,976.80         |
|               | 2,079,363.10 | 478,632.82        | 2,557,995.92 | 2,557,995.92         | 2,531,301.29       |

Telecom Wage Analysis for 2002

| Dept # | Emp # | Name                 | Hire Date  | Term Date | Wages      |         |
|--------|-------|----------------------|------------|-----------|------------|---------|
| 11     | 950   | Krajesky, Edwin      | 8/2/1999   |           | 94,516.40  |         |
| 11     | 972   | Seiffert, John       | 3/13/2000  |           | 53,939.12  |         |
| 11     | 1017  | Purcell, John        | 7/26/2000  |           | 58,663.05  |         |
| 11     | 1061  | Harper, Sharolynn    | 2/19/2001  |           | 56,927.20  |         |
| 11     | 1117  | Kaul, Jennifer       | 8/20/2001  |           | 56,741.81  |         |
|        |       |                      |            |           | 320,787.58 |         |
| 12     | 541   | Owens, Gary          | 7/15/1991  |           | 84,467.00  |         |
| 12     | 794   | Lockhart, Glynn      | 10/28/1996 |           | 55,477.03  |         |
| 12     | 966   | Garrett, Jeremy      | 2/7/2000   |           | 48,487.72  |         |
| 12     | 971   | Mercer, Craig        | 2/21/2000  |           | 61,133.08  |         |
| 12     | 974   | Roden, Frank         | 4/17/2000  |           | 55,586.18  |         |
| 12     | 1032  | Jones, Kenneth       | 10/23/2000 |           | 52,427.93  |         |
| 12     | 1054  | Payne, Mark          | 1/8/2001   |           | 48,142.19  |         |
| 12     | 1059  | Massengall, Stacey   | 2/5/2001   |           | 31,783.75  |         |
|        |       |                      |            |           | 437,504.88 |         |
| 13     | 895   | Hay III, Robert      | 9/23/1998  |           | 83,841.96  |         |
| 13     | 965   | Dotson, Jimmy        | 2/7/2000   |           | 60,642.37  |         |
| 13     | 984   | Moore, Robbie        | 5/8/2000   | 3/7/2003  | 41,747.08  |         |
| 13     | 1074  | Brown, Leslie        | 4/2/2001   |           | 52,074.35  |         |
| 13     | 1141  | Steinman, Jennifer   | 5/13/2002  |           | 1,512.00   | Student |
| 13     | 1142  | Ford, Austin         | 5/13/2002  | 8/2/2002  | 1,620.00   | Student |
| 13     | 1145  | Smith, Emily         | 5/13/2002  | 7/12/2002 | 1,350.00   | Student |
| 13     | 1148  | Smith, Kandie        | 5/20/2002  | 8/9/2002  | 1,296.00   | Student |
| 13     | 1149  | Roberts, Lazetta     | 5/20/2002  | 8/9/2002  | 1,316.25   | Student |
|        |       |                      |            |           | 245,400.01 |         |
| 14     | 957   | Williams, Andrea     | 9/13/1999  | 9/20/2001 | 16,778.39  |         |
| 14     | 963   | Donaldson, Dale      | 2/1/2000   |           | 44,405.28  |         |
| 14     | 969   | Pursley, Marilyn     | 2/21/2000  | 7/12/2002 | 35,700.37  |         |
| 14     | 1005  | Hewitt, Gregory      | 5/30/2000  |           | 6,600.08   | Moved   |
| 14     | 1038  | Keith, Stacy         | 11/13/2000 |           | 10,920.80  | Moved   |
| 14     | 1110  | Lucas, Valerie       | 6/11/2001  | 3/19/2001 | 24,809.28  |         |
| 14     | 1113  | Sanford, Melissa     | 6/25/2001  | 9/9/2002  | 25,900.00  |         |
| 14     | 1114  | Gifford, Gerald      | 7/2/2001   |           | 3,173.28   | Moved   |
| 14     | 1115  | Layne, Kelli         | 7/2/2001   |           | 28,556.40  |         |
|        |       |                      |            |           | 196,843.88 |         |
| 20     | 951   | Hunsucker, Elizabeth | 8/9/1999   | 4/9/2002  | 127,584.24 |         |
| 20     | 958   | George, Deborah Lee  | 10/4/1999  |           | 131,358.34 |         |
| 20     | 962   | Glass, Jeffrey       | 1/4/2000   |           | 100,256.03 |         |
| 20     | 964   | Rowden, Todd         | 2/7/2000   |           | 80,512.92  |         |
| 20     | 967   | Whitaker, Matthew    | 2/7/2000   | 4/12/2002 | 39,909.67  |         |
| 20     | 988   | Savard, Louis        | 5/15/2000  |           | 122,027.92 |         |
| 20     | 1012  | Vreeland, Catherine  | 6/26/2000  | 7/6/2001  | 1,057.76   |         |
| 20     | 1038  | Keith, Stacy         | 11/13/2000 |           | 25,557.90  | Moved   |
| 20     | 1041  | King, Ann            | 11/27/2000 |           | 58,800.71  |         |
| 20     | 1108  | Peace, Sherry        | 6/4/2001   |           | 91,627.97  |         |
| 20     | 1111  | Brewster, Scott      | 6/25/2001  |           | 54,986.55  |         |
| 20     | 1114  | Gifford, Gerald      | 7/2/2001   |           | 41,792.76  | Moved   |

Telecom Wage Analysis for 2002

|    |      |                      |            |           |              |         |
|----|------|----------------------|------------|-----------|--------------|---------|
| 20 | 1116 | Provonsha, Patricia  | 7/23/2001  | 9/24/2001 | 8,615.43     |         |
| 20 | 1122 | Stephens, Sandra     | 10/22/2001 |           | 35,724.58    |         |
| 20 | 1123 | Durham, Crystal      | 10/22/2001 |           | 32,128.95    |         |
| 20 | 1124 | Ward, Diana          | 10/22/2001 |           | 31,119.54    |         |
| 20 | 1131 | McVay, Jason         | 1/22/2002  |           | 28,960.98    |         |
| 20 | 1143 | Nix, Christin        | 5/13/2002  | 8/15/2002 | 1,620.00     | Student |
|    |      |                      |            |           | 1,013,642.25 |         |
| 30 | 349  | Owens, Katherine     | 9/21/1981  |           | 44,094.05    |         |
| 30 | 1005 | Hewitt, Gregory      | 5/30/2000  |           | 61,553.44    | Moved   |
| 30 | 1083 | Frizzell, Misty      | 5/7/2001   | 9/6/2002  | 24,498.40    |         |
|    |      |                      |            |           | 130,145.89   |         |
| 90 | 934  | Chapman Jr., William | 5/17/1999  | 1/31/2003 | 186,976.80   |         |
|    |      |                      |            |           | 186,976.80   |         |
|    |      |                      |            | TOTAL     | 2,531,301.29 |         |

**Allocation of Charges for  
Across the Board, Spotlight, and Employee Calendar**

| <b>FY 1999-2000</b> |                   |                   |                 |                             |                |
|---------------------|-------------------|-------------------|-----------------|-----------------------------|----------------|
|                     | <b>Charges</b>    |                   |                 | <b>Average No Employees</b> |                |
|                     | <b>Total</b>      | <b>Electric</b>   | <b>Telecom</b>  | <b>Electric</b>             | <b>Telecom</b> |
| Across the Board    | 37,446.52         | 36,714.18         | 732.33          | 752                         | 15             |
| Spotlight           | 86,999.87         | 85,298.44         | 1,701.43        | 752                         | 15             |
| Employee Calendar   | 8,497.40          | 8,331.22          | 166.18          | 752                         | 15             |
| <b>Total</b>        | <b>132,943.79</b> | <b>130,343.84</b> | <b>2,599.94</b> |                             |                |

| <b>FY 2000-2001</b> |                  |                  |                 |                             |                |
|---------------------|------------------|------------------|-----------------|-----------------------------|----------------|
|                     | <b>Charges</b>   |                  |                 | <b>Average No Employees</b> |                |
|                     | <b>Total</b>     | <b>Electric</b>  | <b>Telecom</b>  | <b>Electric</b>             | <b>Telecom</b> |
| Across the Board    | 23,002.16        | 22,118.61        | 883.55          | 738.5                       | 29.5           |
| Spotlight           | 40,433.62        | 38,880.51        | 1,553.11        | 738.5                       | 29.5           |
| Employee Calendar   | 15,233.03        | 14,647.91        | 585.12          | 738.5                       | 29.5           |
| <b>Total</b>        | <b>78,668.81</b> | <b>75,647.03</b> | <b>3,021.78</b> |                             |                |

| <b>FY 2001-2002</b> |                   |                   |                 |                             |                |
|---------------------|-------------------|-------------------|-----------------|-----------------------------|----------------|
|                     | <b>Charges</b>    |                   |                 | <b>Average No Employees</b> |                |
|                     | <b>Total</b>      | <b>Electric</b>   | <b>Telecom</b>  | <b>Electric</b>             | <b>Telecom</b> |
| Across the Board    | 32,305.50         | 30,743.01         | 1,562.49        | 728                         | 37             |
| Spotlight           | 59,206.93         | 56,343.33         | 2,863.60        | 728                         | 37             |
| Employee Calendar   | 15,888.25         | 15,119.80         | 768.45          | 728                         | 37             |
| <b>Total</b>        | <b>107,400.68</b> | <b>102,206.14</b> | <b>5,194.54</b> |                             |                |

Retirees are all Electric employees.

## TELECOM POSTAGE

| <u>Date</u>      | <u>Telecom<br/>Customers</u> | <u>Total<br/>Postage</u> | <u>Average per<br/>Bill</u> |
|------------------|------------------------------|--------------------------|-----------------------------|
| 30-Jun-02        | 1,775                        |                          |                             |
| 31-May-02        | 1,693                        |                          |                             |
| 30-Apr-02        | 1,625                        |                          |                             |
| 31-Mar-02        | 1,489                        |                          |                             |
| 28-Feb-02        | 1,460                        |                          |                             |
| 31-Jan-02        | 1,380                        |                          |                             |
| 31-Dec-01        | 1,350                        |                          |                             |
| 30-Nov-01        | 1,235                        |                          |                             |
| 31-Oct-01        | 1,175                        |                          |                             |
| 30-Sep-01        | 1,090                        |                          |                             |
| 31-Aug-01        | 1,009                        |                          |                             |
| 31-Jul-01        | 940                          |                          |                             |
| <b>FY2001-02</b> | <b>16,221</b>                | <b>\$ 9,828.08</b>       | <b>\$ 0.606</b>             |
|                  | <u>Total Bills</u>           | <u>Actual</u>            |                             |

|                  |                    |                    |  |
|------------------|--------------------|--------------------|--|
| 30-Jun-01        | 874                |                    |  |
| 31-May-01        | 807                |                    |  |
| 30-Apr-01        | 740                |                    |  |
| 31-Mar-01        | 673                |                    |  |
| 28-Feb-01        | 606                |                    |  |
| 31-Jan-01        | 539                |                    |  |
| 31-Dec-00        | 472                |                    |  |
| 30-Nov-00        | 405                |                    |  |
| 31-Oct-00        | 338                |                    |  |
| 30-Sep-00        | 271                |                    |  |
| 31-Aug-00        | 204                |                    |  |
| 31-Jul-00        | 137                |                    |  |
| <b>FY2000-01</b> | <b>6,066</b>       | <b>\$ 3,676.00</b> |  |
|                  | <u>Total Bills</u> | <u>Allocated</u>   |  |

|                  |                    |                  |  |
|------------------|--------------------|------------------|--|
| 30-Jun-00        | 65                 |                  |  |
| 31-May-00        | 30                 |                  |  |
| 30-Apr-00        | 15                 |                  |  |
| 31-Mar-00        | 5                  |                  |  |
| 28-Feb-00        | -                  |                  |  |
| 31-Jan-00        | -                  |                  |  |
| 31-Dec-99        | -                  |                  |  |
| 30-Nov-99        | -                  |                  |  |
| 31-Oct-99        | -                  |                  |  |
| 30-Sep-99        | -                  |                  |  |
| 31-Aug-99        | -                  |                  |  |
| 31-Jul-99        | -                  |                  |  |
| <b>FY1999-00</b> | <b>115</b>         | <b>\$ 69.69</b>  |  |
|                  | <u>Total Bills</u> | <u>Allocated</u> |  |

TELECOMMUNICATIONS REMITTANCE PROCESSING ALLOCATION

|                                       | JULY      | AUGUST    | SEPTEMBER | OCTOBER   | NOVEMBER  | DECEMBER  | JANUARY   | FEBRUARY  | MARCH     | APRIL     | MAY       | JUNE      | TOTAL    |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
| <b>Fiscal Year 1999-2000</b>          |           |           |           |           |           |           |           |           |           |           |           |           |          |
| Remittance Processing Expense         | 23,466.96 | 24,077.29 | 27,307.54 | 26,938.29 | 32,253.45 | 37,885.61 | 34,004.34 | 32,193.43 | 37,479.81 | 31,731.13 | 35,802.01 | 37,807.91 |          |
| Telecom Customers                     | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 5         | 15        | 30        | 65        |          |
| Electric Customers                    | 155,155   | 156,271   | 155,783   | 155,410   | 155,107   | 155,252   | 155,614   | 155,881   | 156,564   | 155,441   | 156,657   | 156,761   |          |
| Total Customers                       | 155,155   | 156,271   | 155,783   | 155,410   | 155,107   | 155,252   | 155,614   | 155,881   | 156,569   | 155,456   | 156,687   | 156,826   |          |
| Telecom Remittance Processing Expense | 0.00      | 0.00      | 0.00      | 0.00      | 0.00      | 0.00      | 0.00      | 0.00      | 1.20      | 3.06      | 6.85      | 15.71     | 26.82    |
| <b>Fiscal Year 2000-2001</b>          |           |           |           |           |           |           |           |           |           |           |           |           |          |
| Remittance Processing Expense         | 36,760.04 | 43,277.10 | 54,112.26 | 41,081.03 | 45,323.05 | 34,444.94 | 38,161.14 | 29,131.71 | 27,667.91 | 28,527.40 | 26,773.43 | 29,844.96 |          |
| Telecom Customers                     | 137       | 204       | 271       | 338       | 405       | 472       | 539       | 606       | 673       | 740       | 807       | 874       |          |
| Electric Customers                    | 156,624   | 157,667   | 156,354   | 157,595   | 156,916   | 156,972   | 157,121   | 157,766   | 157,703   | 157,396   | 157,934   | 157,870   |          |
| Total Customers                       | 156,761   | 157,871   | 156,625   | 157,933   | 157,321   | 157,444   | 157,660   | 158,392   | 158,376   | 158,136   | 158,741   | 158,744   |          |
| Telecom Remittance Processing Expense | 32.13     | 55.92     | 93.63     | 87.92     | 116.68    | 103.26    | 133.88    | 111.46    | 117.57    | 133.49    | 146.28    | 164.32    | 1,296.54 |
| <b>Fiscal Year 2001-2002</b>          |           |           |           |           |           |           |           |           |           |           |           |           |          |
| Remittance Processing Expense         | 21,207.11 | 31,895.99 | 26,818.16 | 30,091.97 | 30,000.08 | 24,234.08 | 24,873.22 | 24,873.22 | 21,726.78 | 27,814.28 | 30,350.55 | 24,203.79 |          |
| Telecom Customers                     | 940       | 1,009     | 1,090     | 1,175     | 1,235     | 1,350     | 1,380     | 1,460     | 1,489     | 1,625     | 1,693     | 1,775     |          |
| Electric Customers                    | 158,095   | 158,632   | 157,846   | 158,607   | 158,102   | 157,578   | 158,286   | 158,335   | 158,496   | 159,147   | 159,240   | 159,179   |          |
| Total Customers                       | 159,035   | 159,641   | 158,936   | 159,782   | 159,337   | 158,928   | 159,666   | 159,795   | 159,985   | 160,772   | 160,933   | 160,954   |          |
| Telecom Remittance Processing Expense | 125.35    | 201.60    | 183.92    | 221.29    | 232.53    | 205.85    | 214.98    | 227.26    | 202.21    | 281.13    | 319.28    | 266.92    | 2,682.32 |
| TOTAL                                 |           |           |           |           |           |           |           |           |           |           |           |           | 4,005.68 |

Schedule 14C

EPB TELECOM  
TELECOMMUNICATIONS PLANT  
JUNE 30, 2000

| PLANT<br>ACCOUNT                | DESCRIPTION                          | TOTAL<br>TELECOM<br>PLANT | ACCUMULATED<br>DEPRECIATION | NET<br>TELECOM<br>PLANT | DEPRECIATION<br>RATE* | FY1999-00<br>DEPRECIATION<br>EXPENSE |
|---------------------------------|--------------------------------------|---------------------------|-----------------------------|-------------------------|-----------------------|--------------------------------------|
| <u>Telecommunications Plant</u> |                                      |                           |                             |                         |                       |                                      |
| 21120.400                       | Vehicles                             | \$ 82,333.23              | \$ 1,686.30                 | \$ 80,646.93            | 20%                   | \$ 1,686.30                          |
| 21140.400                       | Work Equipment                       | 279,273.48                | 19,049.86                   | 260,223.62              | 15%                   | 19,049.86                            |
| 21210.400                       | Building                             | 141,635.43                | 1,263.68                    | 140,371.75              | 4%                    | 1,263.68                             |
| 21220.400                       | Furniture                            | 123,522.45                | 4,362.39                    | 119,160.06              | 10%                   | 4,362.39                             |
| 21240.400                       | Computers                            | 317,018.11                | 24,231.74                   | 292,786.37              | 20%                   | 24,231.74                            |
| 22100.400                       | Central Office Equipment             | 2,907,722.59              | 126,866.46                  | 2,780,856.13            | 10%                   | 126,866.46                           |
| 23100.400                       | Network Access Nodes & Equipment     | 401,209.08                | 15,025.20                   | 386,183.88              | 10%                   | 15,025.20                            |
| 23110.400                       | Customer Access Equipment - on Net   | 406.95                    | 2,436.51                    | (2,029.56)              | 10%                   | 2,436.51                             |
| 23120.400                       | Customer Premise Equipment           | -                         | -                           | -                       | 10%                   | -                                    |
| 23210.400                       | Fiber Network                        | 151,757.37                | -                           | 151,757.37              | 20%                   | -                                    |
| 24100.400                       | Interconnect & Collocation Equipment | 1,934,692.62              | 66,745.96                   | 1,867,946.66            | 5%                    | 66,745.96                            |
| 24101.400                       | Local Distribution Facilities        | 273,165.82                | 2,012.80                    | 271,153.02              | 4%                    | 2,012.80                             |
| 24106.400                       | Leasehold Improvements               | -                         | -                           | -                       | 10%                   | -                                    |
| 26820.400                       | Leasehold Improvements               | -                         | -                           | -                       | 4%                    | -                                    |
|                                 | Sub-total                            | \$ 6,612,737.13           | \$ 263,680.90               | \$ 6,349,056.23         |                       | \$ 263,680.90                        |
|                                 | Construction Work in Progress        | 772,545.03                | -                           | 772,545.03              |                       |                                      |
|                                 | Total                                | \$ 7,385,282.16           | \$ 263,680.90               | \$ 7,121,601.26         |                       |                                      |

\*All straight line based on previous months GI balance.

EPB TELECOM  
TELECOMMUNICATIONS PLANT  
JUNE 30, 2001

| PLANT<br>ACCOUNT                | DESCRIPTION                          | TOTAL<br>TELECOM<br>PLANT | ACCUMULATED<br>DEPRECIATION | NET<br>TELECOM<br>PLANT | DEPRECIATION<br>RATE* | FY2000-01<br>DEPRECIATION<br>EXPENSE |
|---------------------------------|--------------------------------------|---------------------------|-----------------------------|-------------------------|-----------------------|--------------------------------------|
| <b>Telecommunications Plant</b> |                                      |                           |                             |                         |                       |                                      |
| 21120.400                       | Vehicles                             | \$ 82,333.23              | \$ 17,752.89                | \$ 64,580.34            | 20%                   | \$ 16,066.59                         |
| 21140.400                       | Work Equipment                       | 296,665.69                | 61,996.20                   | 234,669.49              | 15%                   | 42,946.34                            |
| 21210.400                       | Building                             | 36,321.35                 | 1,937.15                    | 34,384.20               | 4%                    | 673.47                               |
| 21220.400                       | Furniture                            | 143,528.04                | 17,003.84                   | 126,524.20              | 10%                   | 12,641.45                            |
| 21240.400                       | Computers                            | 324,966.11                | 87,788.35                   | 237,177.76              | 20%                   | 63,556.61                            |
| 22100.400                       | Central Office Equipment             | 4,644,183.17              | 477,394.19                  | 4,166,788.98            | 10%                   | 350,527.73                           |
| 23100.400                       | Network Access Nodes & Equipment     | 2,444,323.40              | 132,683.43                  | 2,311,639.97            | 10%                   | 117,658.23                           |
| 23110.400                       | Customer Access Equipment - on Net   | 45,126.45                 | 1,300.33                    | 43,826.12               | 10%                   | 1,300.33                             |
| 23120.400                       | Customer Access Equipment - off Net  | 25,779.86                 | 1,083.10                    | 24,696.76               | 10%                   | 1,083.10                             |
| 23210.400                       | Customer Premise Equipment           | 912,775.93                | 58,801.90                   | 853,974.03              | 20%                   | 58,801.90                            |
| 24100.400                       | Fiber Network                        | 2,005,099.90              | 149,231.51                  | 1,855,868.39            | 5%                    | 82,485.55                            |
| 24101.400                       | Interconnect & Collocation Equipment | 511,522.22                | 19,458.25                   | 492,063.97              | 4%                    | 15,008.94                            |
| 24106.400                       | Local Distribution Facilities        | -                         | -                           | -                       | 10%                   | -                                    |
| 26820.400                       | Leasehold Improvements               | 165,281.16                | 5,443.01                    | 159,838.15              | 4%                    | 5,443.01                             |
|                                 | Sub-total                            | \$ 11,637,906.51          | \$ 1,031,874.15             | \$ 10,606,032.36        |                       | \$ 768,193.25                        |
|                                 | Construction Work in Progress        | 140,371.65                | -                           | 140,371.65              |                       |                                      |
|                                 | Total                                | \$ 11,778,278.16          | \$ 1,031,874.15             | \$ 10,746,404.01        |                       |                                      |

\*All straight line based on previous months GL balance, except for vehicles starting 4/01 was straight line on a per unit basis.

EPB TELECOM  
TELECOMMUNICATIONS PLANT  
JUNE 30, 2002

| PLANT<br>ACCOUNT                | DESCRIPTION                          | TOTAL<br>TELECOM<br>PLANT | ACCUMULATED<br>DEPRECIATION | NET<br>TELECOM<br>PLANT | DEPRECIATION<br>RATE* | FY2001-02<br>DEPRECIATION<br>EXPENSE |
|---------------------------------|--------------------------------------|---------------------------|-----------------------------|-------------------------|-----------------------|--------------------------------------|
| <b>Telecommunications Plant</b> |                                      |                           |                             |                         |                       |                                      |
| 21120,400                       | Vehicles                             | \$ 103,358.23             | \$ 33,129.15                | \$ 70,229.08            | 20%                   | \$ 15,376.26                         |
| 21140,400                       | Work Equipment                       | 306,011.36                | 106,496.04                  | 199,515.32              | 15%                   | 44,499.84                            |
| 21210,400                       | Building                             | 55,432.48                 | 3,389.99                    | 52,042.49               | 4%                    | 1,452.84                             |
| 21220,400                       | Furniture                            | 172,747.79                | 31,356.68                   | 141,391.11              | 10%                   | 14,352.84                            |
| 21240,400                       | Computers                            | 528,353.62                | 152,781.55                  | 375,572.07              | 20%                   | 64,993.20                            |
| 22100,400                       | Central Office Equipment             | 5,658,148.94              | 941,812.55                  | 4,716,336.39            | 10%                   | 464,418.36                           |
| 23100,400                       | Network Access Nodes & Equipment     | 2,873,882.30              | 377,555.15                  | 2,496,327.15            | 10%                   | 244,871.72                           |
| 23110,400                       | Customer Access Equipment - on Net   | 1,019,915.01              | 42,875.83                   | 977,039.18              | 10%                   | 41,575.50                            |
| 23120,400                       | Customer Access Equipment - off Net  | 26,098.38                 | 3,661.06                    | 22,437.32               | 10%                   | 2,577.96                             |
| 23210,400                       | Customer Premise Equipment           | 597,539.54                | 166,203.84                  | 431,335.70              | 20%                   | 107,401.94                           |
| 24100,400                       | Fiber Network                        | 2,144,443.44              | 231,231.47                  | 1,913,211.97            | 5%                    | 81,999.96                            |
| 24101,400                       | Interconnect & Collocation Equipment | 751,826.05                | 39,919.09                   | 711,906.96              | 4%                    | 20,460.84                            |
| 24106,400                       | Local Distribution Facilities        | -                         | -                           | -                       | 10%                   | -                                    |
| 26820,400                       | Leasehold Improvements               | 165,281.16                | 12,054.29                   | 153,226.87              | 4%                    | 6,611.28                             |
|                                 | Sub-total                            | \$ 14,403,038.30          | \$ 2,142,466.69             | \$ 12,260,571.61        |                       | \$ 1,110,592.54                      |
|                                 | Construction Work in Progress        | 8,520.41                  | -                           | 8,520.41                |                       |                                      |
|                                 | Total                                | \$ 14,411,558.71          | \$ 2,142,466.69             | \$ 12,269,092.02        |                       |                                      |

\*All straight line based on previous months GL balance, except for vehicles which are straight line based on a per unit basis.

SOURCE CODE      DATE      DEBITS      CREDITS      BALANCE      DESCRIPTION      CHECK NO      PRD CODE

~~TOTAL TOTAL TELECOM LIABIL      743,284.49      1,490,120.08      11,121,148.56-      ENDING BALANCE~~

\*\*\* ACCOUNT      643000 ACCUMULATED NET INCOME      3,478,100.14      BEGINNING BALANCE  
 1500000072      06-30-2000      485,258.08      485,258.08      NET INCOME  
 TOTAL 619000      485,258.08      3,963,258.22      ENDING BALANCE

TOTAL 6190      485,258.08      3,963,258.22      ENDING BALANCE

\*\*\* ACCOUNT      619500 REVENUE & EXPENSE OFFSET      3,091,722.95      BEGINNING BALANCE  
 1500000072      06-30-2000      485,258.08      485,258.08      EXPENSE OFFSET  
 TOTAL 619500      485,258.08      3,576,981.03      ENDING BALANCE

TOTAL 6195      485,258.08      3,576,981.03      ENDING BALANCE

~~TOTAL TOTAL TELECOM CREDIT      743,284.49      1,975,280.98      286,287.42      ENDING BALANCE~~

\*\*\* ACCOUNT      620101 LOCAL SERVICE REVENUE      5,795.87      BEGINNING BALANCE  
 1500000074      06-30-2000      4,241.54      4,241.54      LOCAL SERVICE REVENUE BILLED  
 1500000074      06-30-2000      270.00      270.00      LOCAL SERVICE REVENUE BILLED  
 1500000074      06-30-2000      15,826.67      15,826.67      LOCAL SERVICE REVENUE BILLED  
 1500000074      06-30-2000      3,917.70      3,917.70      LOCAL SERVICE REVENUE BILLED  
 TOTAL 620101      4,511.54      19,744.37      22,028.70-      ENDING BALANCE

TOTAL 6201      4,511.54      19,744.37      22,028.70-      ENDING BALANCE

\*\*\* ACCOUNT      620201 LONG DISTANCE REVENUE      341.64      BEGINNING BALANCE  
 1500000074      06-30-2000      218.17      218.17      LONG DISTANCE REVENUE BILLED  
 1500000074      06-30-2000      196.81      196.81      LONG DISTANCE REV BILLED-ADJ UN  
 1500000074      06-30-2000      510.48      510.48      LONG DISTANCE REVENUE BILLED  
 TOTAL 620201      414.98      1,868.36      1,795.02-      ENDING BALANCE

TOTAL 6202      414.98      1,868.36      1,795.02-      ENDING BALANCE

\*\*\* ACCOUNT      624101 DATA CIRCUIT REVENUE      412.80      BEGINNING BALANCE  
 1500000074      06-30-2000      1,391.00      1,391.00      DATA CIRCUIT REVENUE BILLED  
 1500000074      06-30-2000      1,035.40      1,035.40      DATA CIRCUIT REVENUE BILLED  
 1500000074      06-30-2000      238.50      238.50      DATA CIRCUIT REVENUE BILLED  
 1500000074      06-30-2000      200.67      200.67      DATA CIRCUIT REV BILLED-ADJ UN  
 TOTAL 624101      238.50      2,827.07      2,801.37-      ENDING BALANCE

TOTAL 6241      238.50      2,827.07      2,801.37-      ENDING BALANCE

\*\*\* ACCOUNT      624501 WHOLESALE TRANSP. REVENUE      59,159.87      BEGINNING BALANCE  
 1500000030      06-30-2000      5,435.17      5,435.17      MISCELLANEOUS ADJUSTMENTS - 30  
 TOTAL 624501      5,435.17      64,595.04      64,595.04-      ENDING BALANCE

TOTAL 6245      5,435.17      64,595.04      64,595.04-      ENDING BALANCE

\*\*\* ACCOUNT      627001 MISC REVENUE      .00      BEGINNING BALANCE

\*\*\* ACCOUNT 627001 MISC REVENUE 19.92  
 1000020371 06-09-2000 11.92  
 1000020493 06-13-2000 31.24  
 TOTAL 627001 31.24  
 TOTAL 6270 31.24 - ENDING BALANCE

TOTAL TOTAL TELECOM REVENUE 5,165.02 29,706.21 91,251.37- ENDING BALANCE

~~\*\*\* ACCOUNT 641006 641006 VEHICLE EXP. TRANSPORT 2,221.45 BEGINNING BALANCE  
 3800000000 06-30-2000 907.57  
 TOTAL 631006 907.57 3,231.02 ENDING BALANCE~~

~~TOTAL 6310 907.57 3,231.02 ENDING BALANCE~~

~~\*\*\* ACCOUNT 632004 632004 TOOL/EQUIP-MAT&SUPPLS. 1,496.95 BEGINNING BALANCE  
 TOTAL 632004 1,496.95 ENDING BALANCE~~

~~TOTAL 6320 1,496.95 ENDING BALANCE~~

~~\*\*\* ACCOUNT 641003 641003 BLDG. MAINT-O/S LABOR 10,639.61 BEGINNING BALANCE  
 1000020379 06-28-2000 953.07  
 TOTAL 641003 953.07 11,592.68 ENDING BALANCE~~

~~\*\*\* ACCOUNT 641004 641004 BLDG. MAINT-MAT&SUPPLS. 241.96 BEGINNING BALANCE  
 TOTAL 641004 241.96 ENDING BALANCE~~

~~TOTAL 6410 933.07 11,804.64 ENDING BALANCE~~

~~\*\*\* ACCOUNT 651002 651002 PLANT SUPERV-OFFICE LAB. 127,487.11 BEGINNING BALANCE  
 1500000071 06-30-2000 1,000.00  
 3200000000 06-30-2000 9,878.14  
 TOTAL 651002 10,878.14 138,365.25 ENDING BALANCE~~

~~\*\*\* ACCOUNT 651003 651003 PLANT SUPERV-O/S LABOR 1,987.20 BEGINNING BALANCE  
 TOTAL 651003 1,987.20 ENDING BALANCE~~

~~\*\*\* ACCOUNT 651004 651004 PLANT SUPERV-MAT&SUPPLS. 351.60 BEGINNING BALANCE  
 TOTAL 651004 351.60 ENDING BALANCE~~

~~\*\*\* ACCOUNT 651022 651022 PLANT SUPERV-TRAVEL EXPS. 3,390.67 BEGINNING BALANCE  
 TOTAL 651022 3,390.67 ENDING BALANCE~~

~~\*\*\* ACCOUNT 651025 651025 PLANT SUPERV-TELEPHONE 248.89 BEGINNING BALANCE  
 TOTAL 651025 248.89 ENDING BALANCE~~

~~\*\*\* ACCOUNT 651026 651026 PLANT SUPERV-MOBILE PHONE 417.34 BEGINNING BALANCE  
 1000020516 06-14-2000 78.18  
 TOTAL 651026 78.18 495.52 ENDING BALANCE~~

~~\*\*\* ACCOUNT 651090 651090 PLANT SUPERV-GENERAL 2,385.86 BEGINNING BALANCE~~

~~\*\*\* ACCOUNT 651090 651090 PLANT SUPERV-GENERAL 2,385.86 BEGINNING BALANCE~~

~~\*\*\* ACCOUNT 651090 651090 PLANT SUPERV-GENERAL 2,385.86 BEGINNING BALANCE~~

## Telecom Revenue for FY 2000-2001

| Gh Dept                   | Gh Acct  | Gh Date | Gl Desc                 | Gh Debit | Gh Credit | Net            |
|---------------------------|----------|---------|-------------------------|----------|-----------|----------------|
| Total for Accoun          | 5000.500 |         | LOCAL SERVICE REVENUE   |          |           | 0.00           |
| Total for Accoun          | 5000.501 |         | LOCAL UNE SERVICE       |          |           | (838,649.05)   |
| Total for Accoun          | 5000.502 |         | LOCAL SVC REV/TRUNKS    |          |           | (134,498.96)   |
| Total for Accoun          | 5000.503 |         | LOCAL SRVC. REVENUE-DAT |          |           | (51,506.14)    |
| Total for Accoun          | 5000.506 |         | SWITCHED-I-NET/DATA     |          |           | (4,046.00)     |
| Total for Accoun          | 5000.526 |         | QUICK CONNECT REVENUE   |          |           | (629,188.84)   |
| Total for Accoun          | 5000.527 |         | ISDN/BRI REVENUE        |          |           | (10,650.00)    |
| Total for Accoun          | 5082.516 |         | SW ACCESS REV-INTRASTAT |          |           | (51,874.03)    |
| Total for Accoun          | 5082.517 |         | SW ACCESS REV-INTERSTAT |          |           | (167,010.56)   |
| Total for Accoun          | 5084.500 |         | STATE ACCESS REVENUE    |          |           | (31,432.69)    |
| Total for Accoun          | 5084.518 |         | LOCAL ACCESS-INTERCONNE |          |           | (3,457.37)     |
| Total for Accoun          | 5084.519 |         | LOCAL ACCESS-TRUNK REVE |          |           | (3,479.06)     |
| Total for Accoun          | 5100.500 |         | L/D NET SERVICE REVENUE |          |           | (133,002.31)   |
| Total for Accoun          | 5200.500 |         | MISCELLANEOUS REVENUE   |          |           | 0.00           |
| Total for Accoun          | 5240.500 |         | W/S TRANSP REV.-DRK FIB |          |           | (65,222.04)    |
| Total for Accoun          | 5300.500 |         | LOSS ON UNCOLL REVENUE  |          |           | 10,507.00      |
| Total for Accoun          | 7300.500 |         | NON-OPER INCOME & EXP   |          |           | (12,882.60)    |
| Total Revenue for Telecom |          |         |                         |          |           | (2,126,392.65) |

SCHEDULE 17B

## Telecom Revenue for FY 2001-2002

| Gh Dept                   | Gh Acct  | Gh Date | Gl Desc                 | Gh Debit | Gh Credit | Net            |
|---------------------------|----------|---------|-------------------------|----------|-----------|----------------|
| Total for Accoun          | 5000.501 |         | LOCAL UNE SERVICE       |          |           | (1,431,825.93) |
| Total for Accoun          | 5000.502 |         | LOCAL SVC REV/TRUNKS    |          |           | (577,527.39)   |
| Total for Accoun          | 5000.503 |         | LOCAL SRVC. REVENUE-DAT |          |           | (145,589.22)   |
| Total for Accoun          | 5000.506 |         | SWITCHED-I-NET/DATA     |          |           | (24,877.99)    |
| Total for Accoun          | 5000.526 |         | QUICK CONNECT REVENUE   |          |           | (2,599,061.77) |
| Total for Accoun          | 5000.527 |         | ISDN/BRI REVENUE        |          |           | (61,791.50)    |
| Total for Accoun          | 5082.516 |         | SW ACCESS REV-INTRASTAT |          |           | (88,002.03)    |
| Total for Accoun          | 5082.517 |         | SW ACCESS REV-INTERSTAT |          |           | (462,962.42)   |
| Total for Accoun          | 5084.518 |         | LOCAL ACCESS-INTERCONNE |          |           | (18,905.24)    |
| Total for Accoun          | 5084.519 |         | LOCAL ACCESS-TRUNK REVE |          |           | (86,811.00)    |
| Total for Accoun          | 5100.500 |         | L/D NET SERVICE REVENUE |          |           | (452,997.97)   |
| Total for Accoun          | 5200.500 |         | MISCELLANEOUS REVENUE   |          |           | (1,939.94)     |
| Total for Accoun          | 5240.500 |         | W/S TRANSP REV.-DRK FIB |          |           | (59,672.04)    |
| Total for Accoun          | 5300.500 |         | LOSS ON UNCOLL REVENUE  |          |           | 30,308.00      |
| Total for Accoun          | 7100.500 |         | OTH OPER INCOME & EXP   |          |           | 0.00           |
| Total for Accoun          | 7200.501 |         | IN LIEU OF TAXES        |          |           | 0.00           |
| Total for Accoun          | 7300.500 |         | NON-OPER INCOME & EXP   |          |           | (65,879.83)    |
| Total Revenue for Telecom |          |         |                         |          |           | (6,047,536.27) |

SCHEDULE 17C